

opes fade for 99 oilmen still missing from North Sea platform

umber of dead in the
l oil rig in the North
risen to 38 with 99
still missing. Most of
re feared trapped in

living quarters 100 feet below
the surface. Rescue opera-
tions are continuing but there
is little hope of survivors
among the trapped men.

Divers are on standby after
tapping round the rig's legs:
there was no response. Mr
Odvar Nordli, the Prime
Minister of Norway, said the

disaster was one of the
greatest tragedies in the
recent history of Norway.
He promised a committee of
inquiry would be set up.

et of ships and helicopters search area round sunken rig

March 28
ed diving ships are
by tonight to send
n to the living quar-
e oil accommodation
lexander L. Kjeland.
or of dead in the
s worst rig disaster
to 38 with 99 people
ng.
Wendt, Chief of
Stavanger, said that
were known to be
the 228 the Phillips
Company believes to
on the rig when it
n gale force winds
ot waves last night.
ht bodies have been
ore. The fear is that
e missing have been
the accommodation
the 10,105 ton semi-
rig, which are now
feet below water.
S of the crew are
a British and about
span, with a Portu-
Spanish and three

it refused to give the
s of the dead or the
although half a
one are believed to
spital in Stavanger.
f the survivors were
ospital, few with any
uries, apart from ex-
id 20 have already
arged.
of 45 vessels and 23
and other aircraft
is area for survivors
the chances of any
found seem slim.
survivors have been
night. Helicopters
is last few from a
noon.

speculation that any
ard the rig may be
ir pockets, Mr Per
a spokesman for
which the rig was
id: "It isn't easy to
y high hopes for
vithin the Alexander

rafts have already
g round the four up-
foot-long, remaining
platform, but there
no response. Tele-
eras have also been
hundred feet below
e to look into the
riers.
survivors are in the
difficulties are formid-

r Grosch, aged 41, a
supervisor flying
a Seaway Eagle, one
e dive support vessels
a, said: "Honestly it
me. If anybody was
et out they would be
one still inside the
uld have got hypox-
yway to the accommo-
dation, so far below the
ure would be severe
he said.
or like sitting in an
boat on the surface.
sch, who has been in
ce 1965, said he had
d to tackle anything
There is no blueprint



Four legs of the Alexander Kielland remain afloat (top left) beside the Albuskjell platform.

for dealing with a rig that is
upside down whatsoever.
There was talk of people
being in air pockets and the rig
being cut open to get them out.
But he said: "As soon as you
cut it open, you let the air out.
We will just have to see what
the conditions are and what it
is like."

Tonight six aircraft including
three from the RAF searched
until midnight with two long-
distance surveillance planes
operating throughout the night.
Four naval vessels were in
the area, including the British
fishery protection vessel HMS
Lindisfarne, and Mr Wendt
said that 10 Sea King helicopters
would continue the search
tomorrow, two of them from
Britain.

A spokesman for Phillips said
that a tug had got a tow rope
on to the platform, which has
stabilized in improved weather,
with the wind down to 15 knots,
and waves only five to six feet
high. Weather reports say con-
ditions will worsen during the
night.
Phillips also said that a vessel
had got a line attached to the
leg that broke off and it was
now under control. The anchors
holding the capsized rig in

place were being strengthened,
to keep it in place.
Mr Arne Glaudehl, the inspec-
tor of rescue operations, said the
temperature in the sea was four
to six degrees above freezing,
but anyone in the sea without
any special protection would
last only a few minutes.
"If they have a survival suit
and are in a lifeboat or some-
thing like that, the chances of
surviving are of course, much
greater."

None of those picked up from
the water were in survival suits.
All had been wearing ordinary
clothing.
The first survivors were
pulled from the heaving seas,
shortly after the accident, in a
stores basket lowered from the
Edda platform, which was only
a short distance from the
Alexander Kielland.
Mr Bjartmar Gjerd, the Nor-
wegian Oil Minister, said: "We
have not given up hope of find-
ing those who are listed as
missing."

Flight Sergeant Mike Yar-
wood of the RAF helicopter
rescue service was last night
being hailed as a hero of the
North Sea rescue. He twice
jumped into the freezing moun-
tainous waters, detaching him-
self from his line, to save
numbed and shivering survivors
(the Press Association reports).
His helicopter captain finally
ordered him to rest. "He
worked like someone possessed,
beyond the call of duty," Flight
Lt Bob Neville said. "It was
our decision that he was too
exhausted to go on. He was not
of the same opinion."

Sgt Yarwood, aged 33, mar-

ried with two children from
Norwood, Cheshire, a veteran
of 70 rescues, is winchman with
the helicopter from RAF Bom-
ber, in Northumberland.

At the other end of the winch
was Flight Sgt John Moody,
also 33, married with two
children from Reading, Berks-
hire. They found a lifeboat
with 10 Norwegians and as no
ship was near decided to winch
them up.

"It was very difficult to
maintain the hover. They were
the worst conditions you could
get—bad visibility, cross winds,
high seas, and a very small
target."

Other reports and photographs

Mr Odvar Nordli, the Nor-
wegian Prime Minister, said to-
day that a committee of inquiry
was to be set up to ensure that
such an accident did not hap-
pen again.

He said the incident was
"one of the greatest tragedies
in the recent history of Nor-
way."
Phillips said that they were
"mystified" as to why one of
the 10,105-ton platform's steel
legs broke off.

As Flight Sgt Yarwood swung,
the men below could not grab
his rope because their hands
were so cold. So the RAF
rescuer jumped into the sea.
His swim to the lifeboat to
help the desperate men adrift
for three hours. It took the
helicopter crew 45 minutes to
Mr. Hunt.

Other reports and photographs

Investors hit by heavy falls in silver price

By Anthony Hilton in New York
and Michael Prest in London

A slump in the price of silver
has caused heavy losses and
threatened widespread bank-
ruptcies, particularly among
investors in America.
The price of silver has fallen
this week by about 400p an
ounce to under 600p an ounce
in London yesterday.

American officials were last
night playing down the gravity
of the situation, but there were
fears that the fall in silver,
down from \$50 an ounce in New
York at the beginning of the
year to about \$13 this week,

could herald the onset of a
major recession in international
business, accompanied by falls
in stock markets, in property
and in other commodities.

While Mr Robert Willmet,
president of the Chicago Board
of Trade was saying "things
are under control, things are
settling down", a London com-
modity consultant described the
events of the last two days as
"a major shift in world
markets".

At the centre of the drama
is Mr Nelson Bunker Hunt, a
Texas oil and gas multi-
millionaire, who for several
years has been accumulating
enormous holdings of silver. He
is now thought to own 200
million ounces or about half a
year's normal world production
of the metal.

On Tuesday night, as the
silver price fell, Mr Hunt, his
brother Herbert, and their Arab
associates—who are believed to
include Prince Abdullah, a lead-
ing member of the Saudi Royal
family—were asked by their
New York brokers to put up
"margin", extra cash to cover
the fall in value of their silver.

By the end of yesterday, Mr
Nelson Hunt had found \$100m,
mostly through the sale of
shares, but also by disposing of
silver futures at the request of
his brokers Bache, Halsey,
Stuart, Shields. But Mr Hunt is
believed still to need another
\$100m in margin, and his
brother to owe Merrill Lynch,
the world's biggest broking firm,
\$44m.

A representative for Mr Nel-
son Hunt, Mr Salim Nassif, said
yesterday that Mr Hunt had
flown to Riyadh, in Saudi
Arabia. It is widely speculated
that Mr Hunt is seeking to re-
store his Arab partners and to
raise cash, possibly to buy more
silver.

In New York, Bache's shares
were suspended for 10 days,
while the firm requested that
market trading in silver futures
be suspended. It has con-
sidered some time ahead—be-
sides the request was turned
down by the Commodity
Futures Trading Commission
(CFTC).

Mr James Sone, chairman of
the CFTC, said that he was
concerned about the
future of only two or three
commodity firms.
Reaction in London was
guarded yesterday. One com-
modity dealer said: "Mr Hunt
thought he could control the
market. It has completely
collapsed. It has con-
trolled him." Experts agreed
that a corner in any commodity
could only be maintained for a
short while.

Silver on the London Metal
Exchange fell 42p to reach
£530m offered by other EEC
members was said by Mrs
Thatcher to be much too small.
However, since then the British
have moved towards the idea
of securing cuts in their net
contribution through increasing

the amount which the EEC
gives to Britain to spend. This
was the second part of Mrs
Thatcher's solution.
The third part involved re-
forming the Common Agricul-
tural Policy. This took a much
larger proportion of the Com-
munity budget than was ever
intended, the Prime Minister
said. Herr Schmidt agreed that
the growth in agricultural sub-
sidies had to be checked.

He pointed out that this was
not in Germany's interest and
commented that he expected
the agricultural ministers of
the Nine to have grave misgiv-
ings about any changes.
Herr Schmidt did not give
details of what he meant by
linking energy policy with the
solution of other EEC difficul-
ties. The Germans may be
looking for a commitment that
Britain will not lead the way
with oil price rises and will be
willing to earmark oil for
Europe if there are supply
problems in the future.

Both leaders dwell on the
good will and atmosphere of
understanding surrounding their
talks. Mrs Thatcher said that
they and the two foreign
ministers, Herr Genscher and
Lord Carrington, had stayed up
until two am yesterday morn-
ing discussing world affairs.
Herr Schmidt said that he and
Mrs Thatcher had had a grad-
uating degree of understanding.
Both leaders said that the
Western alliance must stick
together. The Germans in par-
ticular have been worried about
disputes within the EEC at a
time when the West was faced
with other big problems, such
as a possible collapse in the
process of East-West détente.

It seems increasingly unlikely
that Britain will decide to join
the European Monetary System
of fixed exchange rates in the
near future. Even the Foreign
Office is now thought to be
convinced that with the present
strength of the pound it would
be damaging for Britain to go
in now. However the Treasury
ministers may have modified
their complete opposition to
entry and may be willing to
agree in principle to join at
some later date.

Wide agreement after Thatcher-Schmidt talks on EEC budget

By Caroline Atkinson
Mrs Thatcher and Herr
Helmut Schmidt, the West
German Chancellor, said yester-
day that they were now much
more convinced that a solution
could be found to the problem
of Britain's £1,300m contribu-
tion to the EEC budget.

Addressing a joint press con-
ference with the Chancellor
after a day and a half of dis-
cussions at Chequers, Mrs
Thatcher implied that there
would be progress towards a
solution before the postponed
EEC summit takes place to-
wards the end of April.

However, Herr Schmidt empha-
sized that the solution must
come with a package of mea-
sures. This should also deal with
fishing, lamb, energy policy and
the reform of the Common
Agricultural Policy.

So far, Mrs Thatcher had al-
ways held that the British bud-
get problem should be treated
on its own. But yesterday she
said that the British must con-
tribute to solving the problems
of other EEC countries while
seeking a just solution to their
own problems. Nevertheless,
the Prime Minister hinted that
the budget question should be
solved first. She suggested that
the outstanding quarrel over
fishing, for example, would take
longer to deal with. All the
EEC problems should be
examined at the same time, she
said, but they would not neces-
sarily all be solved together.

Herr Schmidt emphasized
that the Germans would not
act as mediators in winning
French agreement. If there
was ill will between Britain and
France, they must solve it them-
selves, he stated.

The Prime Minister said that
there was clearly a way of
solving the problem of Britain's
budget contribution within the
Community rules. She sug-
gested that the three weeks
before the summit should be
used for intensive efforts to
reach agreement. All that was
needed was good will to attach
figures to the method.

This involved three parts.
The first was to reduce
Britain's gross contribution as
agreed at the Dublin summit.
At the time the reduction of
£350m offered by other EEC
members was said by Mrs
Thatcher to be much too small.
However, since then the British
have moved towards the idea
of securing cuts in their net
contribution through increasing

Carabinieri kill four in anti-terrorist raid

From John Searle
Rome, March 28

The Italian authorities
claimed to have dealt an
important blow to the Red
Brigades in Genoa after they
killed four suspected terrorists,
including a woman, in a gun
battle during a raid on a flat
before dawn today. One mem-
ber of the carabinieri was
wounded.

The incident was part of a
wider operation by carabinieri
in north-west Italy, in which
six arrests were made in raids
on houses in Turin and Biella
in Piedmont.

It was separate from actions
by police earlier this week in
which more than 20 people
were detained, including three

Britons, mainly in the areas of
Bologna and Catania.
The Britons' names have been
given as Helen Jane Weir, aged
34, who was arrested in Cat-
ania; and Mark Holton, aged 21
or 22, from Hull University, and
Kenneth Burgon, aged 31, of
North Berwick, who were held
for questioning. Mr Holton was
teaching English at a school in
Bologna.

An official statement said
that carabinieri wearing hel-
mets and bullet-proof waistcoats
were fired on today when they
entered what was described as
a Red Brigade hideout.
[A list of 3,000 prominent
Italians, apparently marked for
murder, was found in the flat,
UPI reports.]

he found old Cup ner

el Phillips
ottage, the Irish horse
on the Cheltenham
two weeks ago, was
d rope after the race
results were positive
two other Irish-trained
the meeting were also

as announced by Mr
miles, chief security
the Jockey Club, yes-
terday. He said the
had suspended two
keys, Tommy Ryan and
e, from race riding for
misbehaviour, for excessive use
hip at the Cheltenham

outine tests revealed
of theophorine. The
er Irish horses were
ah, winner of another
uable Cheltenham race,
an Elizabeth the Queen
Champion Steeple-
chase and Kilikwell, who
third in the Kim Muir
Challenge Cup.

Cottage is trained by
Moore; the other two
ick O'Toole. Both men
y the most respected
profession, with long
successes behind them.
ey are able to prove at
key Club inquiry that
they nor their staff had
ly administered the
beir names will auto-
y be cleared. Otherwise
ill be liable to severe

three horses will au-
y be disqualified be-
he drug, "a forbidden
ce" has been found in
stem. All bets, however,
nd.
scent years traces of
mine had been found in
as the result of some-
ney had eaten.
nuts are usually to
but in one case even a
ar was the cause. The
of the three Irish horses
ain be to blame.
t surprise Mr O'Toole,
sains at Kildare, said
continued on page 16, col 6

Pay deal saves Easter flights

The dispute between local authorities and
the National and Local Government Officers Association
(Nalco) ended when the union accepted a
13 per cent pay offer. It means that the threat
to Easter air travel has been lifted and the
disruption of local councils' finances will cease.
Rate demands, which have been in many
areas, will start going out on Monday; rent
collections will also return to normal. Pay
increases range from £189 a year to £1,716.
Page 2

Pretoria feels isolated

Mr Robert Mugabe's decision to exclude South
Africa from Zimbabwe's independence celebra-
tions has made Pretoria aware that, despite the
efforts of Mr P. W. Botha, the South African
Prime Minister, to implement his concept of
"a constellation of states", the country is still
isolated.
Page 4

Callaghan tour queried

An argument has developed within the Labour
Party's national executive committee over a
planned two-week visit to China by Mr James
Callaghan. The political wisdom of the trip and
the financing of the party who will accompany
him are being questioned.
Page 2

Lead risk action urged

A government report on the effect of lead on
health has reached no firm conclusion that lead
from petrol fumes impairs the intelligence of
children. Urgent action by the Government is
recommended to reduce the poisoning risk in
certain areas.
Page 3

Cheaper food imports escape special tax

British consumers will continue to benefit from
cheaper food imports, as a result of the sterling
exchange rate. EEC ministers of agriculture
refused a demand by Mr Walker, their British
colleague, to amend the rules and impose from
next week a special import tax and export sub-
sidy to help British farmers.
Page 3

US banks raise rates

Major American banks raised their prime lend-
ing rates to new record levels yesterday, fixing
rates of either 19 1/4 or 19 3/4 per cent. The latest
increases are being attributed to the continuing
high demand for credit and to tighter credit
policies imposed by the Federal Reserve Board.
Page 17

Marijuana health risks

A report by the American Health Department
links the long term use of marijuana with
general deterioration in health. It also finds
the drug is being used by a growing number of
young people.
Page 4

Kelly inquest: Policeman admitted hitting the Liverpool labourer who died in custody, QC for Police Federation says

Ark Royal's fate: Ministry of Defence announces
that the 30,000-ton aircraft carrier will be sold
for scrap
"Ban drug" call: MP seeks the suspension of
Debenham by Department of Health
Egypt: Last Jews in Alexandria await visit by
Israeli leaders
Chad: Red Cross tries to arrange truce as rival
armies reinforce
Classified advertisements: Personal, pages 23,
24; Home and Gardens, 23; Postal Shopping,
23; Appointments, 10

Welsh arsonists aim at Tory party offices

From Tim Jones
Cardiff
Security precautions at key
Government buildings in Wales
are to be strengthened after two
fire bomb attacks yesterday on
Conservative Party offices in
the principality.
For the first time the arson-
ists struck in South Wales when
they made an unsuccessful
attack on the party's Wales
area office in Cardiff.
Their second bomb, placed
outside the headquarters of the
East Glamorgan constituency party at
Shotton, went off but caused
little damage. The offices rep-
resented a new target for the
extremists, who had concen-
trated on burning isolated hol-
iday homes.
In another new departure the
extremists telephoned the
police at Cardiff, telling them
that the devices had been
planted. The call came five
hours after the Shotton bomb
had exploded.
A letter received yesterday
by the BBC in Cardiff, which
had been posted in the city on
Thursday afternoon, claimed
responsibility for both inci-
dents.
Written on a sheet of paper
torn out of a notebook, the
letter said: "The Tory offices
were attacked because of the
steel and coal closures. As with
second homes, Wales is under
attack."
"We call on Welsh people to
resist the British Government

Domestic air fares to rise

Rises in domestic air fares
from April 1 were approved
last night by the Civil Aviation
Authority. The increases aver-
age about 12.5 per cent on
single economy fares.
British Airways' fares from
London to Glasgow and Edin-
burgh will rise by £5, to £47,
and to Belfast by £5, to £43.
The single fare from London to
Inverness will go up by £3, to
£56.
British Caledonian Airways'

fares from London's Gatwick
Airport to Glasgow and Edin-
burgh will be £49.
The British Midland fare
from Gatwick to Belfast, at £38,
will be 25 cheaper than British
Airways' route from Heathrow
airport.
The aviation authority said
the increases were necessary
because of rising costs, particu-
larly for fuel and airport
charges.

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LA Fanciulla DEL WEST

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Alan Blyth, Daily Telegraph

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HOME NEWS

Settlement of local authority pay dispute means lifting of threat to air travel over Easter

By David Felton
Labour Reporter

The dispute involving 550,000 white-collar local authority workers was called off last night after a 12 per cent pay offer was accepted by the National and Local Government Officers' Association (NALGO).

Negotiators immediately gave warning that they would be pressing for a further 20 per cent pay rise in July.

The settlement averted a strike by air traffic controllers at municipal airports over Easter. It also means that rate demands, which have been halted in many areas, will start going out from Monday.

Rent collection, which has been disrupted in some areas, will also return to normal. The union had also threatened a strike among meat inspectors in abattoirs.

The deal with NALGO was struck within half an hour yesterday, after day-long talks on Wednesday led the employers to increase their offer on comparability payments from an average 8 per cent to 12 per cent. The union had been

claiming 14 per cent. The new offer will be backdated to January 1.

Increases range from 9.5 per cent, or £189 a year, for a new entrant aged 16 doing clerical work, to 18 per cent or £1,716 a year for some chief officers and departmental heads.

Mr Sidney Dennett, chairman of the employers' side, said: "To local government this is an expensive settlement at a time when there is great pressure on public spending."

"If local government is spending at a faster rate than there is money flowing in, then there are grave problems ahead. So much of local government expenditure is concerned with staff costs, so there is a direct relationship to the numbers of staff employed."

It was, he added, too early to say whether there would be any job losses as a result of the settlement, which is in addition to the 9.4 per cent the workers received as the first part of their annual deal last July. But Mr Brian Rusbridge, secretary of the employers' side, said there were three options for

recovering the cost: extra rates, reduced services, and increased efficiency which meant job staff reductions.

Mr Rusbridge thought the settlement was fair and just and that the dispute had caused a relatively small amount of damage because it had been stopped so quickly.

A warning about the battle ahead in the summer on the next pay round was sounded by Mr Alan Jenkinson, NALGO's national officer. He said the difficulty would arise when the union tried to keep pace with the rate of inflation, which would be about 20 per cent, at a time when the Government had set a 13 per cent limit for local government.

One difficulty on the horizon is the decision by council chief executives to reject an offer of about 8 per cent for comparability. However, with chief officers having negotiated a 17 per cent settlement and yesterday's 13 per cent deal, it is difficult to see how the employers can do anything but offer a similar deal to the chief executives.

Police officer admitted hitting James Kelly

From David Nicholson-Lord
Liverpool

One of the police officers who arrested James Kelly, the Liverpool man who died in police custody last year, has admitted that he hit him "three or four times" in the head at the inquest on Mr Kelly yesterday.

The acknowledgment came from Mr George Carman, QC, representing the Police Federation and the four officers involved in the arrest during the examination of Mr Laurence Healey, who said the police gave Mr Kelly a "good going over".

Mr Carman said the officer accepted that he had hit Mr Kelly when he was on the ground because Mr Kelly was kicking him and hitting out, violently resisting arrest.

Mr Healey, of Barketh Road, Huyton, a labourer and former soldier who served in Aden and Northern Ireland, told the coroner and the 11-man jury that he saw the police officer punching Mr Kelly. Later, cross-examined by Mr Andrew Rankin, QC, for the Chief Constable of Merseyside, he agreed he did not see the blows "actually landing" and at one point saw only the movement of the officer's hand.

He agreed with the statement made a week after the arrest to solicitors representing the Kelly family, in which he said he had a clear view as the police car drove on to the waste ground right up to Mr Kelly and knocked him over.

He said: "Mr Kelly was standing up, staggering a bit and the car approached him. It touched him just enough to knock him on the floor."

Two policemen got out of the car and one of them in uniform,

said to Mr Kelly: "All right sunshine, what's your game? Come on get in the car."

One of the police officers pushed Mr Kelly's head down to get him inside the car and said: "Get in you bastards." He punched Mr Kelly on the back of his head.

Mr Healey said he saw Mr Kelly sprawling inside the car trying to crawl out. He added: "When he was halfway out the policeman in uniform started to punch him again. Mr Kelly collapsed on the ground beside the car and the uniformed policeman gave him a good going over, punching away at him around the head."

"Mr Kelly was groaning and swearing at the policeman all the time. When the officer finished hitting him he was sitting over Mr Kelly holding him down."

Cross-examined by Mr Rankin about a statement he had made to the police two days after the arrest, Mr Healey agreed that he was mistaken when he had told the coroner he did not see a punch thrown by Mr Kelly.

He had said in his statement that he had seen Mr Kelly hit the ground with his head as the car approached. He agreed that the statement showed a "failure to distinguish" between whether the officer was pushing or punching Mr Kelly to get him into the car.

In a submission at the start of the hearing, Mr Carman said that a complaint by Mr Rankin about the disclosure of privileged discussions between counsel was the result of an innocent misunderstanding. "I am not understood to be on a privileged basis," he said.

Steel strike is disrupting a quarter of industry

By Peter Hill
Industrial Editor

Disruption of manufacturing industry as a result of the increased steel strike has increased significantly over the last week, according to the latest returns received by the Confederation of British Industry from a survey of 60 companies in the construction and manufacturing industry sectors.

About a quarter of industry is significantly affected by the strike, according to the survey. But a large number of companies are still managing to operate at lower levels of production.

The survey results will be seen by the steel industry unions as a boost to their policies as the three-man committee of inquiry into the unions' pay claim and the British Steel Corporation's offer gathered momentum, with a result expected about the middle of next week.

Although the level of disruption has increased, the CBI noted that three-quarters of industry was still confident that it would be able to survive a continuation of the strike for some weeks ahead. Most of industry has sufficient stocks to see normal production continuing for at least another four weeks.

Stocks appear to have been increased over the past two weeks as a result of the return to work by private sector steel

producers and the continued inflow of imports.

But, reflecting the increased level of disruption, the CBI estimates that throughout industry production is down to 95.1 per cent of what it would otherwise have been but for the strike.

In another development yesterday, the Birmingham-based steel stockholding company, James Bridge Steel Stockholders, was granted a High Court order for the release of 2,300 tons of steel which has been "rusting" on Humber-side since the steel strike began.

But legal moves by the Midlands stockholders, Howard Perry, who are seeking the release of more than 9,000 tons of imported steel, were adjourned until April 23 in another High Court hearing.

Dockers' conference: The Transport and General Workers' Union has called a national docks delegate conference for Tuesday to discuss the Budget step in the dispute over the "blackening" of steel movements that has halted the port of Liverpool (our Labour Reporter writes).

Picket fined: A steel picket who threw two lumps of coke at a lorry trying to cross a picket line was fined £100 yesterday (our Wolverhampton Correspondent writes). Keith Hobson, aged 29, of South Street, Rawnsley, was also fined £25 costs by magistrates at Wolverhampton.

Brain-damaged do better at four-card test

By Diana Geddes
Education Correspondent

Students who cram for examinations on amphetamines or large doses of black coffee may not be able to recall what they have learnt unless they re-produce the same "high" state during the examination, Dr Geoffrey Lowe, of Hull University suggested at the opening of the British Psychological Society conference in Aberdeen yesterday.

Dr Lowe presented research findings which indicated that learning which occurs when under the influence of certain drugs is best remembered when in the same drugged state.

Students who learnt a route on a map after drinking up to about the legal limit of alcohol subsequently recalled the route better when again drunk than when they were sober. Students

who were sober when learning the same route recalled it better when sober.

Dr Lowe speculated on possible implications of this so-called "state-dependent learning" for psychiatric patients, for example, who received psychotherapy while taking psychoactive drugs might lose the benefit of the therapy when the drug treatment was terminated.

In another paper presented to the society, Dr Evelyn Golding, research psychologist at the National Hospital, London, reported findings indicating that a person with damage in a particular part of his brain has a far better chance of solving a difficult verbal reasoning problem than a normal healthy person.

The test involved was the "Wason four card problem" which on average only 4 per cent of undergraduates are

able to answer correctly. Yet 30 per cent of patients with damage in the right side of their brains were able to give the correct answer.

The test was given to 20 patients with right hemisphere brain damage, 20 patients with left hemisphere brain damage, and a control group of 30 neurologically patients with no known brain damage.

Six of those with right hemisphere damage had "complete insight" into the problem (30 per cent), compared with only one with left hemisphere damage (5 per cent), and none in the control group.

When the same test was given to patients receiving electroconvulsive therapy (ECT) treatment, Dr Golding found that 25 per cent gained complete insight immediately after ECT treatment, compared with 15 per cent before.

Her hypothesis that patients with brain damage in the right hemisphere would perform better on the four-card problem than patients with left hemisphere damage or the control group. The ECT study tended to validate that finding.

Labour Party national executive split over financing of Far East tour

Storm brewing over Callaghan visit to China

By Michael Hattfield
Political Reporter

Mr James Callaghan, Leader of the Opposition, is at the centre of a storm building up inside the Labour Party national executive over his planned two-week visit to China in May.

The argument involves both the political wisdom of his visit and the financing of the party accompanying him. To complicate matters, the political argument shows clear divisions among the Left which controls the national executive committee.

Strong opposition to Mr Callaghan's visit was voiced this week by Mr Norman Atkinson, treasurer of the party, who took the view that it would support anti-Soviet opinion in the country and would lend credibility to the posture of China in world affairs.

Among those who supported him at a meeting of the national executive was Miss Joan Maynard (Sheffield, Brightside); but Mr Callaghan headed off any general disagreement by stating that he had discussed the matter with the Russian Ambassador in London, who had raised no objections.

Others on the Left, however, while accepting the fact that they could not oppose the visit by the Leader of the Opposition, are questioning where the money is coming from to finance the tour.

The answer appears to be, according to well-informed sources, private and un-announced contributions which are being made by some trade unions to assist the Leader of the Opposition in the running of his office.

Behind the financial argument lies an unresolved dispute between Mr Callaghan and the national executive as to who should control the state financial aid which is given to Opposition parties.

It was first provided under a Labour Government when Lord Glenamara of Glenridding, Cumbria, (formerly Mr Edward Short), was Leader of the House.

The Labour Opposition now receives £165,000 a year, which is divided, with the agreement of the Shadow Cabinet and the parliamentary party, in the following way: £55,000 to Mr Callaghan's office, £50,000 to the parliamentary party; and the rest divided between Opposition

spokesman in the Lords and the financing of advisers to shadow ministers.

The national executive, which has fought to win control of the money, is to raise the issue once again.

Mr Callaghan has clearly put the case among the pigeons this week by suggesting that Mr Ron Hayward, general secretary of the party, should accompany him on the China visit.

The national executive, by a small majority, agreed that the party should pay for Mr Hayward. But this decision is now to be challenged at a meeting in two weeks of the party's international committee. Some of its members were protesting last night that they had never been consulted and that they would block any move to have the cost taken from the party's international budget.

Apart from Mr Hayward, whose visit is likely to cost the party about £11,000, the NEC members involved were questioning whether Mr Callaghan was financing the tour through so-called "Short" money. The official version is as follows: Mr Callaghan is an official guest of China and his flight expenses will be covered by funds available to the Leader of the Opposition.

Mrs Audrey Callaghan, paid for by Mr Callaghan, Sir Montagu Levine, Mr Callaghan's doctor, paying for himself.

Mr Roderick MacFarquhar, former Labour MP for Belper, and a specialist on China; expenses covered by newspaper articles.

Mr Tom McCaffrey, press officer to Mr Callaghan, Mr Roger Scott, parliamentary private secretary to Mr Callaghan, Mrs Ruth Sharp, Mr Callaghan's secretary; financed from funds contributed by trade unions.

When Mr Callaghan was challenged at the national executive about the financing of his entourage, he referred to resources other than the "Short" money; but would not say what they were.

The fact that it has now been revealed that some trade unions are making contributions to the Leader of the Opposition beyond their normal affiliation dues to the Labour Party, is bound to feed the suspicions of the Left with its objections over the real centre of power inside the party.

£17m aid for Liverpool regeneration

From Our Correspondent
Liverpool

The Liverpool Partnership Committee, a joint project between the Government and the city council, is to receive a £17m grant for the next 12 months to assist in the regeneration of the inner city area.

The committee, one of five inner-city committees set up by a Labour Government, will receive two more grants, each of £250,000, one for existing programmes and the other for voluntary schemes.

The details were announced in Liverpool yesterday by Mr Michael Heseltine, the Environment Secretary after he had chaired the fourth meeting of the committee since he took office.

Four projects are to receive special attention: the Chinese Community Centre; the restoration of the Empire Theatre; the Maritime Park project on the waterfront at the pier head; and cycle lanes in the Toxteth and Vauxhall districts.

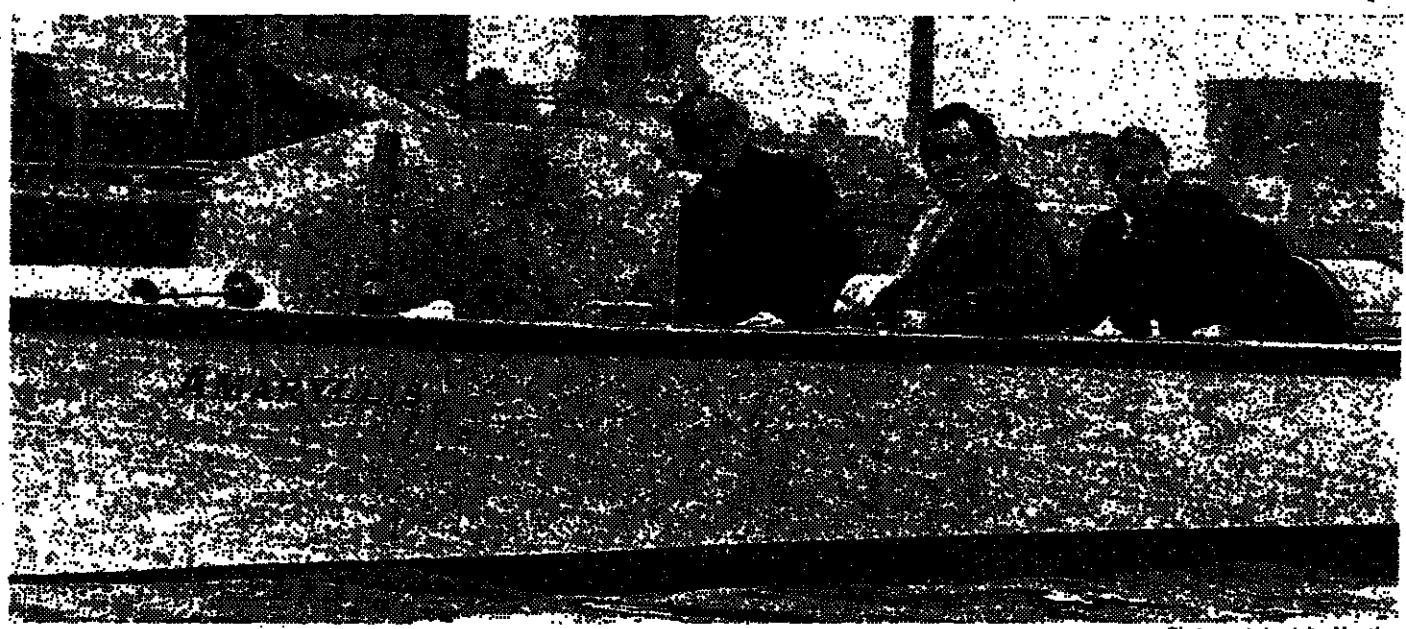
Reminders of Lord M. batten's illustrious and equally distinguished career are everywhere, portraits of Russian and man come to a cabinet of polo trophies, from Coronation books of the Alexander II, Alexander II Nicholas II to a collection of awards presented to the Duke of Edinburgh.

The ensign from HMS is seen on the way to a photographic display of his achievements. But such a display for collecting is not a whole new exhibit to be opened in a stable in next year.

Lord Romney said the reason for opening the was simply inflation, and he could not possibly afford to live there without so. For that the rest of be grateful, for Broadland far too beautiful to have on bidding its charms to public gaze.

The house and garden open to the public from 6 pm daily (except Mon from April to September) sive, Monday closing due apply on Bank Holiday during the months of 7 and September.

Manor for nation, p



The Duke of Edinburgh watching the Cambridge University Boat Race crew training yesterday at Putney for next Saturday's annual Thames race.

A famous fighting ship that never fired in anger

Time puts paid to the Ark Royal

By Henry Stanhope
Defence Correspondent

The Ark Royal, which never fired in anger during 35 years' service with the fleet, has finally lost its battle for survival.

The Ministry of Defence has decided that the aircraft carrier, of 50,000 tons, the biggest British warship of its generation, is to be sold for scrap.

This ends 16 months of indecision since the Ark was paid off in December, 1973, during which time the ministry has evaluated a number of proposals from hopeful entrepreneurs who have wanted to save the ship, the last of its kind, as a floating museum and monument for an age which the Royal Navy will never quite relive.

It has been haunted, as always, by the fear that a famous vessel might become in a few years a rusting hulk, the funds and enthusiasm of her new owners exhausted.

HMS Eagle, the last aircraft carrier to be broken up, fetched more than £1m as scrap in 1977, and the Navy expects to

receive substantially more than that for the Ark Royal, if only because of inflation.

For the past 10 months the ship, its engines, equipment and fittings removed, has been moored in Plymouth harbour, to the same buoy occupied by Eagle before its last voyage to the breaker's.

Not the least of those sorry to see it go will be Plymouth boatmen, who have taken countless holidaymakers on a "trip round Ark Royal" at 50p a time.

The Navy will not be long without a warship of the same famous name. The latest to be called Ark Royal, a carrier of the Invincible class, of 19,000 tons, is being built by Swan Hunter on Tyne-side. It will be equipped with Sea Harrier aircraft and Sea King helicopters, like its sister ship Invincible, accepted into service with the Navy 10 days ago.

Bill allows for strikers' benefits to be reduced by up to £16 a week

By Pat Healy
Social Services Correspondent

Supplementary benefits for the families of strikers will be cut by up to £16 a week under the Social Security (No 2) Bill, published yesterday. But price protection for short-term benefits and invalidity pensions will not be permanently abolished.

The £16 reduction for strikers' families will be made up partly by the automatic £12 deduction from the maximum £24 weekly benefit as part of the Budget measures. In addition, the present disregard of £4 a week of any tax rebates will be abolished under the Bill, which will also allow the £12 figure to be altered up or down in the future.

The minority of steel strikers now receiving supplementary benefits for their families are getting £21.70 a week. The Bill would reduce the maximum benefit to around £5 or £6 a week on present rates, for a family with two children.

The Bill would allow the price protection for unemployment and sickness benefits, maternity allowances and invalidity pensions, to be reduced by up to 5 per cent in each of the next three years. But it does not alter the compulsory prices indexation of those benefits in the expectation that by the 1982-83 tax year they will have been brought into the tax net.

The Bill will also extend the present waiting days before short-term benefits are paid from three to four, and reduce the linking period between times of incapacity or unemployment from 13 to six weeks.

The present link with rises in average earnings for the pensioners' earnings rule will be abolished by the Bill, to enable the Government to freeze at £52 a week the earnings limit beyond which pensions are progressively reduced. In addition, the Bill makes the fourth suc-

cessive attempt by Labour and Conservative governments to limit the amount of unemployment benefit available to occupational pensioners.

The modification of the earnings-related supplement paid with sickness benefit, some injury benefits, unemployment benefit and maternity allowances, will be reduced by a maximum of £5.25 a week next January under the Bill and abolished altogether from January 1982. The changes will also apply to supplements paid with widows' allowances.

The net effects of the Bill will be to increase the number of people claiming supplementary benefits by 1982 by 110,000 which will mean an extra 1,000 staff will be needed at the Department of Health and Social Security and another 50 at the Department of Employment. But the savings to the total social security budget will be large, about £518m in total.

The hearing of a damages claim by Mr Michael Williams, a former prisoner, over the treatment he received in a special control unit at Wakefield prison, ended in the High Court yesterday. After a five-week hearing, Mr Justice Tudor Evans reserved judgment until a date to be fixed.

Mr Williams was one of the first inmates of a special control unit set up at Wakefield jail in 1974 to curb disruptive prisoners. He spent 180 days in the unit, 90 of them in solitary confinement.

He is claiming damages for alleged unlawful imprisonment in the unit which, he says, broke prison rules by its emphasis on isolation. His claim is contested by the Home Office.

Judgment later on claim by former prisoner

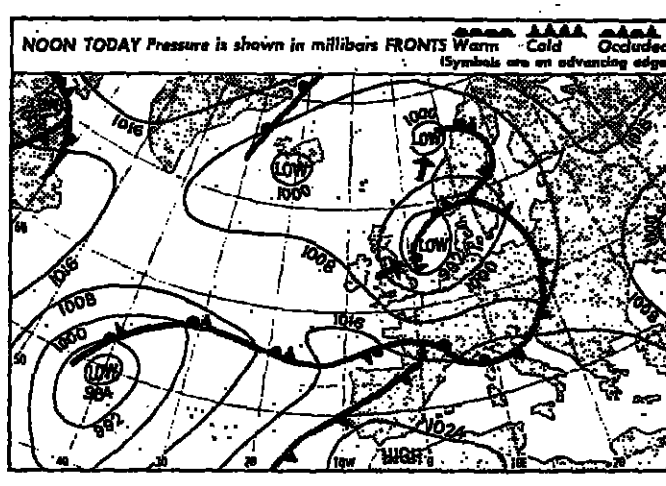
Pressure is low over the North Sea and high to the SW and all parts lie in a fresh NW airstream. Forecasts from 6 am to midnight: London, central S. England, central N. England, Midlands, sunny intervals developing, becoming mostly dry: wind NW strong, decreasing moderate; max temp 9° to 11° (45° to 52° F).

SE England, East Angles: Cloud and rain clearing, sunny intervals: wind W, strong to gale, veering NW, fresh, max temp 8° to 9° (46° to 48° F).

Channel Islands, SW England, S. Wales: Sunny intervals, showers developing, becoming heavy at times: wind N, strong, backing NW, moderate to fresh; max temp 6° to 7° (43° to 45° F).

Outlook for tomorrow and

Weather forecast and recordings



Today
Sun rises: 6.43 am
Sun sets: 7.29 pm
Moon rises: 6.11 am
Moon sets: 5.19 pm
Full moon: March 31.
Lighting up: 7.59 pm to 6.10 am.
High water: London Bridge, 1.32 am, 6.58 am, 1.39 pm, 7.00 am.
Low water: London Bridge, 12.00 am, 7.31 pm, 12.30 am, Dover, 11.17 am, 5.90 am, 11.23 pm, 6.20 am, Hull, 6.5 am, 6.51 am, 6.12 pm, 6.60 am, Liverpool, 11.16 am, 6.30 am, 11.34 pm, 6.40 am.

Tomorrow
Sun rises: 6.40 am
Sun sets: 7.31 pm
Moon rises: 6.34 am
Moon sets: 6.22 pm
Full moon: Tomorrow.
Lighting up: 8.1 pm to 6.8 am.
High water: London Bridge, 2.14 am, 6.59 am, 2.37 pm, 7.12 am.
Low water: London Bridge, 12.43 am, 7.44 pm, 12.60 am, Dover, 11.45 am, 6.11 am, 11.54 pm, 6.30 am, Hull, 6.40 am, 6.58 am, 6.46 pm, 6.59 am, Liverpool, 11.43 am, 6.58 am, 11.44 pm, 6.58 am.
Hull: 6.58 am, 11.44 pm, 6.58 am.

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Yesterday
London: Temp: max. 7.8° (46° F), min. 7.7° (45° F). Humidity 58 per cent. Rain, 24 hr to 0.61in. Sun, 24 hr to 7 pm. Bar, mean sea level, 7 pm, 1000 millibars = 29.53in.

Overseas selling prices
Australia 81.50, Argentina 81.50, Belgium 81.50, Canada 81.50, Denmark 81.50, France 81.50, Germany 81.50, Greece 81.50, Hong Kong 81.50, India 81.50, Italy 81.50, Japan 81.50, Korea 81.50, Malaysia 81.50, Mexico 81.50, New Zealand 81.50, Norway 81.50, Portugal 81.50, Spain 81.50, Sweden 81.50, Switzerland 81.50, Taiwan 81.50, Thailand 81.50, Turkey 81.50, U.K. 81.50, U.S.A. 81.50, West Germany 81.50, Yugoslavia 81.50.

HOME NEWS

Demand for action at 'black spots' to cut health risk from lead

By Pearce Wright
Science Editor

A Department of Health working party on the effect of lead on health has been unable to find conclusive, unambiguous evidence that small amounts of lead in petrol impair the intelligence and behaviour of children.

In its report, published yesterday, the group recommends urgent action by the Government to combat certain black spots in Britain where there is a need to reduce the risk of lead from water pipes and storage tanks, domestic paint surfaces, and traffic and industrial air pollution.

The working party, composed of eminent physicians, psychologists, psychiatrists, and research scientists, was chaired by Professor P. J. Lawther, of St Bartholomew's Hospital, London.

Its conclusions, however, do not answer two of the central questions that were the reason for the investigation.

The introduction to the report says that the main question facing the group was the possibility that subtle adverse effects on health and development result from the absorption of lead in smaller quantities than those known to give symptoms or signs. Recent reports suggest that lead might interfere with mental development or cause behavioural disorders in children.

The experts conclude that, although suggestive, the evidence is equivocal and difficult to assess.

The other unanswered question is how much of the 10,000 tonnes of lead put in petrol each year returns to our bodies.

The group's recommendations emphasise the need for increased monitoring and for improvements in test procedures to measure the possible effects on children that can be attributed to exposure to lead as distinct from other poor environmental factors.

Priorities for action are urged in areas with high levels of lead in water, where chemical treatment is insufficient. If necessary, old lead plumbing should be replaced or replaced, especially where tap water may be used in infants' feeds. People in those houses should avoid using the first run-off water for drinking.

Investigations of the lead levels in old paint coatings accessible to young children, especially in depressed city areas, is another matter of urgency, the report says.

A progressive reduction of lead emission from traffic and industrial sources should be undertaken. In places where exposure is continuous and prolonged, special measures are needed to keep the annual mean concentration of lead in the air below two micrograms a cubic metre.

The report contains a special



Parents parading with an anti-lead poster in Whitehall yesterday.

Photograph by Bill Warhurst

list of recommendations for improved research and monitoring. In particular, the report found blood level to be over 35 micrograms a decilitre should be followed up to trace the source of exposure.

That tiny concentration of lead in blood is below the level at which overt lead poisoning can be clearly diagnosed. However, the experts have agreed that there is no convincing evidence of deleterious effects below 35 micrograms a decilitre. Symptoms of lead poisoning and brain damage occur with levels in excess of, say, 80 micrograms a decilitre.

Therefore a doubt is said to remain in the range of blood lead concentrations between 35 and 80 micrograms a decilitre.

But there is no information from research to underpin the choice of the level of lead below which damage can be discounted.

'Cover-up' charge: Housewives belonging to the Parents Against Lead group picked the Royal United Services Institute in Whitehall yesterday to voice their discontent at the report, which they described as a waste of public money (the Press Association reports).

In a statement they said the working party was "a transparent attempt to cover up and serve the interests of the oil companies well". They asked why it had omitted studies of foetal damage, stillbirths and neonatal deaths.

Lead not health (Statens Office, £4.50).

Leading article, page 13

MP seeks Debendox ban after US verdict

By Annabel Ferriman
Health Services Correspondent

A call for the suspension of Debendox, the pill for morning sickness, which was held responsible for an American boy being born with physical effects, was made yesterday by Mr David Ennals, Labour MP for Norwich, North, and former secretary of State for Social Services.

Mr Ennals said that he found extraordinary that the company which made the drug did not think that the court verdict in Orlando, Florida, that the drug caused the boy's defects, impugned the drug's safety.

"Last week the jury unanimously concluded that Debendox was unsafe and has caused the child's deformities and had awarded \$20,000 (about £9,000) to cover the boy's medical expenses, not the \$12m compensation the plaintiffs had sought."

"Extraordinarily the firm claimed that the verdict did not impugn the drug's safety. 'The court's verdict is not important to our assessment of the safety of the drug,' they said," Mr Ennals said.

"The attitude of the Department of Health and Social Security is no less puzzling. A spokesman said last Saturday that the mere fact of the verdict does not make that much

difference. The Committee on the Safety of Medicines will wish to study the evidence and give their views when they feel the time is right."

"In my view that is intolerably complacent after the ruling of the court in Florida. In my view Mr Patrick Jenkin should suspend the use of Debendox in Britain until there has been a thorough review of all the evidence by the Committee on the Safety of Medicines. To do otherwise would, in my view, be irresponsible."

Mr Ennals, who was speaking at a conference of the society for Drug Research at Kent University, said that despite of the Thalidomide tragedy the taking of non-essential drugs during pregnancy had not decreased in the last 10 years.

"A survey published in 1977 indicated that in Britain doctors prescribed drugs for 56 per cent of women in the first three months of pregnancy, and an astounding 97 per cent of women received some sort of medication during the nine months."

"I sometimes think we have gone pill mad in Britain. The public seem to believe that there is a pill for every ill and that it is no more than a theory. The quickest way to end a consultation is to write out a prescription."

Action by Sir Peter Scott settled

Settlement of a court action by Sir Peter Scott, the naturalist, against the author and publishers of a book about his father, Captain Robert Falcon Scott, the explorer, was announced yesterday by Sir Peter's solicitors.

Sir Peter issued a High Court writ last September seeking an injunction restraining Hodder and Stoughton, the publishers, from publishing Scott and Amundsen, by Roland Huntford.

about the race to the South Pole in 1912. He also claimed damages for libel and breach of contract and for infringement of copyright and conversion.

His solicitors said yesterday that Mr Huntford had agreed to make a donation to a charity of Sir Peter's choice and make a payment to him for his costs.

It had also been agreed that library copies and any future editions of the book would contain a statement by the author saying that material made avail-

able by Sir Peter "must under no circumstances be interpreted as approval of anything in the book, from which he totally dissociates himself and which he did not, moreover, see before printing."

The statement would say that Mr Huntford did not accept that he had denigrated Captain Scott, "but I greatly regret any distress that my treatment of the subject has caused to Sir Peter or others."

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"BUDGET EDITION"

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take normal ECGD insurance cover.

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Midland Bank
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In brief

No action over toll complaint

The Director of Public Prosecutions has decided to take no action over alleged discrepancies in the toll charges levied by Mr Sir Oppenheim, Minister of State for Consumer Affairs, and MP for Gloucester.

Mrs Oppenheim said yesterday: "I never had any doubt that we would be vindicated. A great deal of public time and money has been wasted because of this mud-slinging exercise by the Labour Party."

Dog disease inquiry
The Powys area health authority is to investigate a disease, which is transmitted to humans, being by dogs, in the Powys area after a number of cases had been identified.

Two Ulster deaths
A Northern Ireland policeman and a woman traffic warden were found shot dead in a car near Newry, Co. Down yesterday. Police said they were not looking for any third party.

Trains diverted
Paddington and South Wales trains will be diverted this weekend because of engineering works, British Rail Western region announced yesterday.

Questions over death
Three women were questioned by police yesterday after the body of Mr Thomas, aged 40, was found in his home in Lough Avenue, Bradford.

French food promotion attacked

By Hugh Clayton
Agriculture Correspondent

Farmers complained yesterday about plans by Harrods to hold French food promotion in its food hall next month.

Mr Richard Butler, president of the National Farmers' Union of England and Wales, said in a letter to the store that "the French are doing their utmost to attack the British market and producer, and are using illegal and unfair means to do so."

He did not ask for the promotion to be cancelled, but urged Harrods to mount a similar display of British foods. "Some of our members have taken great

exception to the French promotion," he wrote.

Leaders of the union are under pressure from members to block imports of cheese and apples from France on the ground that French farmers receive secret government subsidies which break EEC rules.

British farmers are also bitter about the refusal of France to allow unrestricted imports of British lamb. Harrods would not comment yesterday.

Budget complaints: Rural lobbies which represent many Conservative Party members issued strong complaints yesterday about the Budget. The farmers' union said that it was "dis-

appointed" that no relief from capital taxation had been given to owner-occupiers.

Mr George Lillingston, president of the Country Landowners' Association, said that his members would be "deeply disappointed" that the Chancellor had offered no relief from capital taxes to agricultural landlords.

The Scottish Landowners' Federation said: "Members have got tired of politicians' promises." Farmers would now be much worse off than when Capital Transfer Tax was introduced in 1974. The three lobbies have a total of more than 150,000 members.

WEST EUROPE

Ambassador defends commitment to Europe

From Charles Hargrove
Paris, March 28

Sir Reginald Hibbert, the British Ambassador, described as "highly artificial" and unjust the accusations being bandied about in France that Britain was not fully committed to the European Community.

In a vigorous speech at a luncheon given in his honour by M. Pierre Pflimlin, the Mayor of Strasbourg, the Ambassador emphasized that "at present Britain honours the undertakings she contracted under the Treaty of Rome, and submits scrupulously to all the obligations arising from it. . . . she makes her full contributions to the life and work of the Community."

Though Britain had contributed decisively to the defence of Europe for 30 years, participated actively in the work of the Council of Europe, of Nato, of the EEC, of the European Assembly, and in the political cooperation of the Nine, "none of all this can, it seems, earn us the qualification of 'European' if we dare to demand that the budget of the Community should function equitably," he said.

Britain's position was simply that the burden of Community resources should be more equitably distributed. "It is absurd to pretend that the mere fact of drawing attention to this problem is in some way anti-European," he said.

Sir Reginald went on to say that none of the expressions such as "Community preference", "unity of price", "Community waters", and "own resources" had an absolute value or, in practice, a precise significance. Yet in recent weeks, they had been bandied as though they were graven in stone.

The Ambassador speaking later about the recent burning of the Union Jack in front of the European Parliament said: "It is not France which set fire to the flag, but a few far-right extremists who wanted in this way to express their feelings."

Cheaper food imports survive efforts to impose special tax

From Michael Hornsby
Brussels, March 28

British consumers will continue to benefit from cheaper food imports as a result of the appreciation of the pound on foreign exchange markets, but they do not have Mr Peter Walker, the Minister of Agriculture, to thank for this relief.

Mr Walker tried yesterday to get a change in the rules of the EEC's complex "green" currency system which would have led to the imposition from the beginning of next week of a tax on food imports into Britain to offset the rising value of the pound.

Sterling's appreciation, Mr Walker claimed, had put British food exporters at a disadvantage compared with their continental competitors, and he wanted the immediate application of an import tax and export subsidy to correct this.

Under the rules the tax would not come into effect until the pound had risen at least 2.5 per cent above the artificial "green" rate used for translating the EEC's common farm prices (fixed in units of account) into sterling. At present the pound is just below that level.

Other member states refused

to accede to Mr Walker's demands last night. He retaliated by refusing to agree to the renewal of the rules. But a spokesman for the European Commission said today that despite this the rules would continue to operate.

If the pound rose any higher than 2.5 per cent above its "green" rate the import tax would come into effect automatically. In that event, it would be open to Mr Walker to request a revaluation of the "green" pound to raise it to the real level of sterling and thus eliminate the tax. But Mr Walker said last night he had no intention of doing that.

EEC officials are surprised by Mr Walker's attitude which contradicts years of British complaints about the penalties imposed on the consumer by the common agricultural policy to the advantage of farmers and traders.

EEC ministers of agriculture failed yesterday to make any progress towards fixing Community farm prices for 1980-81. Mr Walker wants a freeze on products in surplus, such as milk, sugar and wine, while others are pushing for an overall price rise of between 4 and 5 per cent.

Late April date likely for EEC summit

From Our Own Correspondent
Brussels, March 28

The postponed EEC summit meeting, which was to have been held on Monday and Tuesday in Brussels, is now likely to take place in Luxembourg on April 26-27 or April 27-28.

The meeting is of crucial importance to Britain because the main subject will be Mrs Thatcher's claim for a reduction in the estimated £1,100m net British contribution to the EEC Budget.

A decision on the date is expected to be announced over the weekend by the Italian Government, which holds the EEC presidency.

Court postpones ruling on French lamb ban

By Hugh Clayton
Agriculture Correspondent

The European Court of Justice ruled yesterday against an interim injunction which would force France to drop restrictions against imports of British lamb. The news was greeted by the Ministry of Agriculture in London with a curt statement that France should nevertheless obey Community law immediately.

The court ruled last September that French bans on British lamb imports were illegal. The court has now followed the advice early this week of Signor Francesco Caporotoli, Advocate-General of the EEC, who decided that an injunction might prejudice the definitive ruling which is expected from the court later.

WEST EUROPE & OVERSEAS

Mugabe cold shoulder makes S Africans feel still more isolated

From Ray Kennedy
Johannesburg, March 28
South African MPs adjourned today for a 14-day Easter recess, bitterly aware that despite efforts by Mr. Botha, the Prime Minister, to dominate southern Africa through his concept of a "constellation of States" their country is more isolated than ever.

This has been brought home by Mr. Robert Mugabe's decision to omit South Africa from the guest list for Zimbabwe's independence celebrations next month.

Political sources in Cape Town said it was realized and understood that some of the 96 countries and organizations invited to watch the last remaining British flag in Africa hauled down at midnight on April 17 would certainly boycott the occasion if they had to share a platform with South African representatives.

But there is also a degree of feeling that South Africa played a more crucial role than any other in the process of ending apartheid. Although it economically backed UDI, from the outset it also swung totally behind Dr. Henry Kissinger's efforts in 1976 which forced Mr. Smith to give in.

Parliament has recessed half-way through an increasingly stormy six-month session which Mr. Pieter Botha has sought to control with his "constellation of states" and "total strategy" ideas.

In a forceful rebuff of the recalcitrant right-wing of the ruling National Party, which opposes his moves to reform apartheid, he has warned that he will not be a "man of straw" and that he is time

for them to get their priorities right instead of arguing over the racial discrimination laws or over whether Coloured and white schoolboys should be in Pretoria. Mr. Botha allowed to play rugby together. Cronje, a former Cabinet minister in Mr. Ian Smith's Government and one of the 20 white MPs in Mr. Mugabe's, has warned South Africa that it is important to act for change promptly. He said the most important lesson learned by whites in Rhodesia was that reluctance to accept change meant that "in a year or even nine months' time you will have to give up even more."

But Mr. Cronje added that Mr. Mugabe, the Zimbabwe Prime Minister, would be under heavy pressure from the Organisation for African Unity (OAU) over his attitude towards South Africa, although he has declared his intention of maintaining economic links.

It is only East Germany, the biggest backer of Mr. Nkomo's ZAPU wing of the Patriotic Front alliance during the guerrilla war. Also omitted are Czechoslovakia, Hungary, Poland and Vietnam, all of whom were keen supporters of Mr. Nkomo.

US plan to double aid for Zimbabwe to \$14m

From David Cross
Washington, March 28
The United States hopes to be able to provide an independent Zimbabwe with about \$14m (about £3,400,000) in immediate development aid.

Outlining Washington's future policy towards Zimbabwe, Mr. Richard Moose, the Assistant Secretary of State for African Affairs, has told Congress the Administration is planning to double the amount of aid already approved. Earlier this year, Washington provided aid worth \$5m to help refugees resettle in Zimbabwe after the civil war and a further \$2m for rural rehabilitation projects.

The new aid programme, which is expected to be announced shortly before the country's independence on April 18, would be used to build schools, clinics and other small infrastructure projects. This is in line with the wishes of Mr.

Robert Mugabe, the Prime Minister designate.

In the longer term, the United States expects to have a worth \$30m for southern Africa available in the 1980-81 fiscal year budget which begins on October 1. A large proportion of this could be earmarked for Zimbabwe.

Britain has already announced an immediate aid programme for Zimbabwe totalling between £7m and £8m. This is expected to be followed by more aid in due course.

Meanwhile, State Department officials said today that arrangements for the opening of an American embassy in Salisbury are making good progress. The Administration was also co-operating with United States Chambers of Commerce to arrange visits by American businessmen to discuss investment opportunities in Zimbabwe.

Power struggles cause Thai Cabinet changes

From Neil Kelly
Bangkok, March 28
Power struggles in his Cabinet have caused General Prem Tinsulanonda, the Thai key posts only two weeks after the formation of his government.

A few hours before presenting his government's policy to Parliament, General Prem took over responsibility for foreign affairs, finance, security and agriculture, stripping his four deputy prime ministers of most of their powers.

General Prem, already Defence Minister and Commander-in-Chief of the Army, will now be, with his extra responsibilities, more of a one-man government than any Prime Minister since Field Marshal Sarit Thanarat, who ran Thailand almost singlehandedly from 1957 to 1963.

Two are hanged under Malaysia security laws

From Our Correspondent
Kuala Lumpur, March 28
Two more men were executed at Kuala Lumpur's Pudu prison today for offences under the country's tough security laws. This brings the total in 15 days to seven.

The Government has indicated its determination to go through with the executions of those whose appeals to the pardons board had been turned down, despite an appeal from the International Commission of Jurists, the Malaysian Bar Council and the opposition Democratic Action Party.

This morning, Chua Boon Heng, aged 26, and Law Tin Wei, aged 25, were hanged for illegal possession of arms and ammunition. All but two of the seven hanged so far were sentenced to death for similar offences.

Mrs Gandhi wins vote on dissolutions

From Richard Wigg
Delhi, March 28
With the help of some well-timed defections, Mrs. Indira Gandhi's Congress Party last night obtained approval of the dissolution of the state legislative assemblies in the Indian Upper House, hitherto dominated by the Opposition.

When the Prime Minister last month decided to dissolve the assemblies, the Congress Party mustered only some 70 seats in the Rajya Sabha. The opposition Janata Party still had a majority.

But in a preliminary vote last night the Government with the aid of those who had crossed the floor mustered 120 votes against 96. The opposition promptly walked out and final approval of the President's proclamation dissolving the assemblies came by voice vote. It had easily passed the Lower House the day before.

With consumer goods prices rising, the Minister of Commerce conceded in Parliament yesterday and serious shortages of petrol and kerosene hitting the farmers in many states, Mrs. Gandhi has every interest in going for quick elections. The poll, perhaps in late May, takes in such important states as the Punjab, Uttar Pradesh and Bihar in the north, Gujarat and Maharashtra in the centre, and Tamil Nadu in the south.

Mrs. Gandhi risked a possible constitutional crisis through the dissolution as parliamentary approval of presidential direct rule must come within two months and the Opposition in the Rajya Sabha was expected to fight the move.

But the familiar Indian politician's ability to switch party labels without even a nod towards their constituents, and their own eagerness to oblige a

Games decision foolish, Minister says

The British Olympic Association's decision to send a team to Moscow would turn out to be "rather foolish", Mr. Douglas Hurd, Minister of State at the Foreign Office, said yesterday.

The Olympic debate was only beginning, and nobody could be sure what American, German and French athletes would do.

Mr. Hurd told Conservative students in Loughborough that there was a "naïve" talk of competitors doing what they wanted and helping their consciences with demonstrations.

newly elected central Government, helped her. Those members who felt they could not switch so blatantly stayed away from the concluding stages of last night's debate.

Naturally, the opposition parties fought out the verbal battle. The Janata Party, the opposition, announced an engineered victory while the Communist Party of India (Mrs. Gandhi's staunch supporter during her previous prime ministerial tenure) said the money had been used to win over some wavering opposition members.

Mr. Bhupesh Gupta, of the Communist Party of India, said that the object of the whole exercise was to bring on a presidential system when after the nine state assembly elections the Congress hoped it could send back enough members to the Rajya Sabha to gain a two-thirds majority in the 235 member Upper House.

Impression of flexibility is created while single-minded aims are pursued away from world's gaze
Talks about talks are as far as Russia wants to go over Afghanistan

From Michael Binyon
Moscow, March 28
A sharp official rebuff last night by the Soviet Union to the Iranian Foreign Minister's recent statement that the Russians were interested in convening a regional conference to discuss Afghanistan adds to the growing number of proposals for a solution to the crisis which the Russians have first appeared to favour and then vigorously denounced when taken up in detail by other countries.

Mr. Sadeq Ouzbadeh, the Iranian Foreign Minister, said the Soviet Ambassador in Tehran had conveyed the Kremlin's agreement in principle to regional negotiators, but Tass said he was speaking without authority and nothing of the kind had been said by the Ambassador.

Similarly, the suggestion by Lord Carrington, the Foreign Secretary, for neutralization of Afghanistan was, he stated, based on Soviet public pronouncements that all would be

well in Afghanistan if outside powers would stop interfering. But the moment this suggestion was put forward officially by the EEC Moscow denounced it as a trick and an attempt to undermine the Afghan revolution.

There are now indications that the Russians are interested in proposals for mediation being put forward on behalf of the non-aligned countries by Señor Isidoro Malmierca, the Cuban Foreign Minister, who has just paid a surprise visit to Pakistan and Afghanistan.

But in spite of press hints, confidential sources by Soviet diplomats and ambiguous statements by the leadership, Soviet policy in Afghanistan does not appear to be influenced in the slightest by the flurry of diplomatic activity.

The Russians have no interest in any regional conference where the legitimacy of their intervention might be questioned, where a proposal for withdrawal would almost certainly be put forward and where China would be admitted together with the Afghan

rebels as having some say in the outcome.

The Russians would like to leave Afghanistan, but on their conditions and at their timing. And the prerequisites are that all rebel activity should cease, that the Kabul Government should remain unwaveringly communist (though not necessarily headed by Mr. Karmal and not even necessarily carrying out communist policy at home, yet) and that the country should be firmly tied to Moscow and not leave any opening for Chinese or fundamentalist Islamic political influence.

The Russians are therefore prepared for a long stay in Afghanistan, are ready to grind down the rebels by a combination of overwhelming firepower and the ruthlessness which fleeing rebels have reported, while at the same time making attempts to broaden the base of President Karmal's unpopular regime.

However, the Russians do want to defuse the crisis internationally especially during the run-up to the Olympics. So, while pursuing their single-

mined aims within Afghanistan, away from the world's gaze, they have encouraged an impression in Western Europe and in the Muslim world of diplomatic flexibility.

So far no proposals have got further than talks about talks, and this is as far as the Russians want to go. Anything more concrete runs into the basic questions of why the Russians are there and how long they will stay.

What kind of solution do the Russians envisage? By how they must have a thorough evaluation of the military difficulties of eliminating all pockets of resistance—something they apparently underestimated in the early days.

They might be prepared therefore to accept less than total Government control over all parts of the rugged countryside as long as the main towns, highways and provinces were firmly under control.

The Russians might be prepared to tolerate a low level of sniping in the hills as long as they knew that the rebels were effectively cut off from new

sources of arms and were not able to retreat into sanctuaries in Pakistan.

The policy of the latest Cuban initiative, which would seem to have the tacit backing of Moscow, is not to propose the neutrality of Afghanistan but to persuade Pakistan and other Muslim countries to accept the status quo and cut off aid to the rebels.

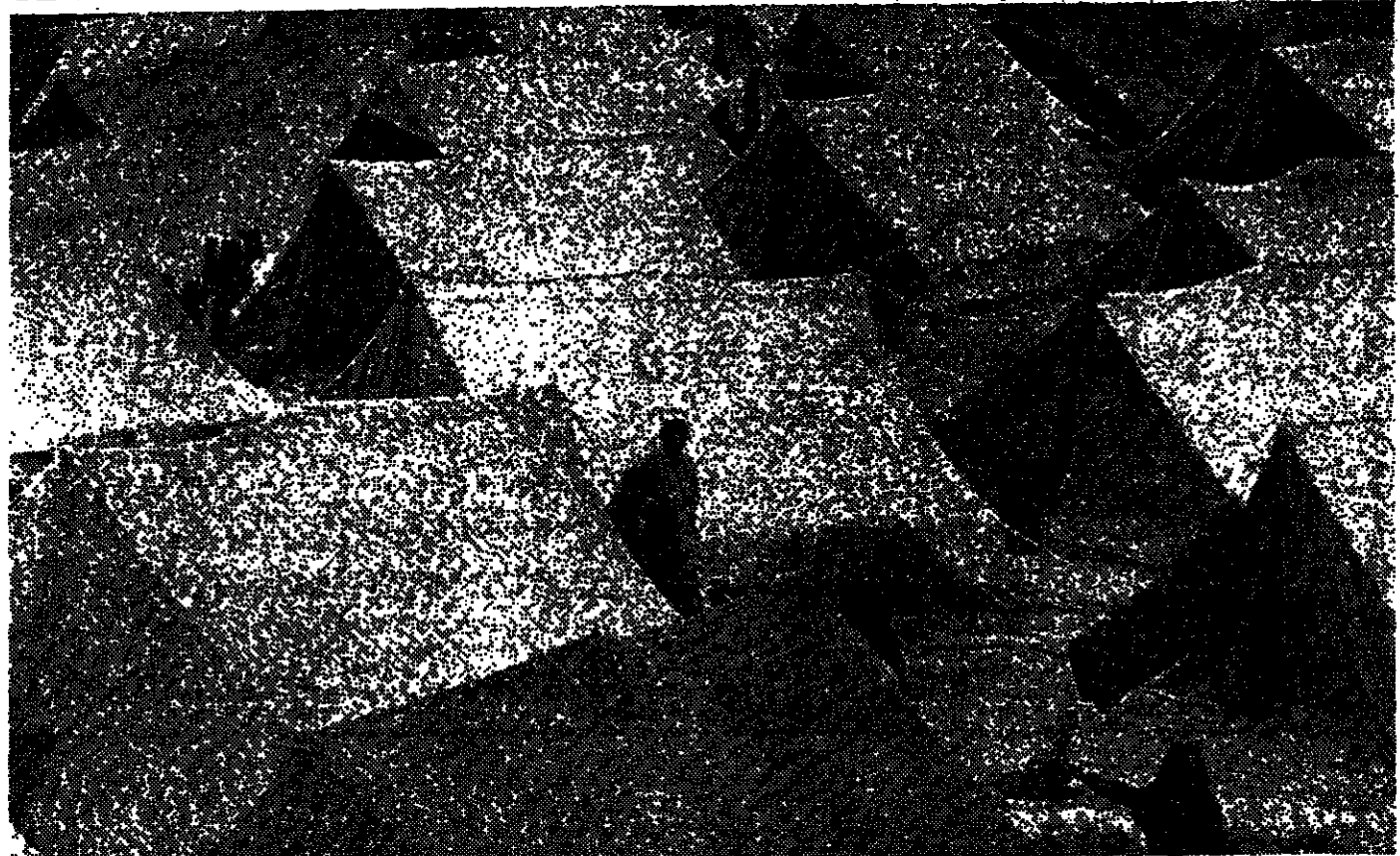
But can the Russians tolerate even a low level of resistance? The Soviet leadership has always had an inordinate fear of any opposition. It does not feel secure until it has eliminated not just pockets of resistance but all of it. The history of the subjugation of central Asia, which lasted for almost a decade after the revolution, shows that the Russians did not rest until they had stamped out all armed resistance.

They may believe the same goes for Afghanistan, in which case their military presence will have to last longer and the Russians will be in danger of alienating not only the fundamentalist Muslims and the tribesmen but all Afghans in-

cluding the Army and the who were prepared to live with the annual regime.

But public opinion within the Soviet Union does not seem to be a popular cause. It also costs a lot of money at a time when the economy is tottering and summer complaints are rising.

So far the Soviet Union appears determined to put the task it set itself in December. There is no evidence the leadership has any idea of how to get out of quagmire in Afghanistan in the future than it has of how to get out of the economic quagmire now engulfing the country will simply soldier on.



Some of the 500,000 Afghans, who fled to Pakistan, in their city of tents at Janghir Abad.

Three Mile Island vigil by nuclear protesters

From Michael Leaphan
New York, March 28
A three-day demonstration, rally, candlelight vigil and debate began today at Three Mile Island, Pennsylvania, to mark the first anniversary of one of the most dangerous accidents in the history of nuclear power. Other demonstrations were held at sites across the country.

At Three Mile Island there have been new protests about the proposal to release radioactive krypton gas from the plant as the first stage of the "clean-up" process. Until the gas has been removed the clean-up cannot begin.

The Nuclear Regulatory Commission, which is responsible for giving final approval for the krypton venting, main-

tains that the amount of radiation to be released into the atmosphere will be well below any danger level.

Some people expressed fears that the core of the nuclear reactor, which became seriously overheated during the accident, might still be in danger of melting down and releasing

between residents and officials of the commission and of Metropolitan Edison, which operates the plant until it was closed by the accident.

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Refugees from Ethiopia face famine and disease

From Charles Harrison
Nairobi, March 28
The flow of refugees into Somalia from the Ogaden Desert area of Ethiopia has more than doubled in the last three months, officials of the United Nations Children's Fund (UNICEF), who have just returned from a tour of refugee camps in Somalia, said here today.

Mr. Arild Volian, a UNICEF official, said the influx had risen from about 1,000 a day to between 1,500 and 2,500, seriously straining the refugee organization in Somalia. There were 634,000 refugees in 24 camps, with a similar number living outside, mainly in Somali villages and settlements.

Ethiopian aircraft had frequently raided border areas,

and bombing in the Ogaden was partly responsible. Other United Nations officials said a total of 37 civilians were killed in raids on two towns. Bombs had been dropped near refugee camps.

Mr. Volian said drought had worsened the food shortage. Refugee camps in north-west Somalia, near Hargeisa, were particularly short of food because of transport problems. Here the daily ration of 75 grams (about 2½ oz) of rice or wheat flour was recently cut to 50 grams.

United Nations officials say there are many deaths, particularly among children.

They estimate that over 500m in external aid was needed over the next year if widespread starvation is to be avoided.

Soviet warning to clergy as priests await trial

From Our Correspondent
Moscow, March 28
The head of the Council for Religious Affairs, the Soviet government body that regulates religious activity, has warned clergy that those breaking the laws governing religion will be prosecuted.

Mr. Vladimir Kuroedov, accused religious "extremists" of vanity, of pursuing selfish goals and of inciting discontent among believers.

The warning was given in the journal *Kommunist* at a time when two Russian Orthodox priests, Father Dmitri Dudko and Father Gleb Yakunin, are awaiting trial for their dissident activities.

Mr. Kuroedov accused Western propaganda of focusing attention on "various fanatics and

pseudo-clergy" in the worst traditions of the cold war.

He asserted that no one had been tried in the Soviet Union for his religious faith. The only people brought to court were those who broke the laws.

Father Yakunin, aged 46, a founder member of the dissident Christian Committee for the Defence of Believers, was arrested in Moscow last November.

Father Dudko, aged 58, was arrested in January after conducting informal seminars with groups of parishioners. Human rights: Mr. Vladimir Borisov, the founder of a human rights group, was arrested in Leningrad last night and interned in a mental hospital, his wife said in Moscow today. —Agence France-Press.

Red Cross seeks truce as Chad rivals reinforce

Paris, March 28.—The battle for Chad capital, of Ndjamena, between opposing muslim armies intensified today as the International Committee of the Red Cross sought a truce to enable the evacuation of civilians from the battered city, French officials said.

The said that reinforcements in men and munitions had reached both sides, the People's Armed Forces of President Goukouni Oueddei and the Armed Forces of the North of Mr. Hissene Habre, the Defence Minister.

The 100 French troops in Chad avoided being dragged into the conflict, and medical teams treated wounded soldiers and civilians at the French military base outside the capital.

One official here said: "The situation in Ndjamena is dramatic. It has been described as a 'mini-war'." Troops commanded by Colonel Abdelkader Wadal Kamougue, the southern leader, were bombarding the city indiscriminately.

nately with mortars and rocket launchers, causing heavy civilian casualties, he added.

France today sent two military transports with doctors, a mobile operating theatre and medical supplies.

Thousands of civilians already fled Ndjamena, between 20,000 and 30,000, to seek shelter in northern Cameroon, at Kousseri.

Reports said the refugees were destitute, lacking food and medical supplies. They were in desperate need of help, despite the efforts of local people to relieve plight.

The French Army evacuated nearly 1,000 people from Ndjamena by plane and overland to Cameroon, where they are being housed in camps.

They included the 5,000 of the United States, Soviet, East Germany embassy.

Civil servant cleared

Bonn, March 28.—An attempt by the West German Post Office Ministry to have a postal official disciplined and possibly dismissed for communist activities was rejected in the Civil Service Disciplinary Court today. Herr Hans Peter, aged 49, a telephone exchange official was cleared of a charge that his activities were a breach of duty.

Annabel Schild

After 213 days, a 15-old schoolgirl was led by a dog from a murky mouse cave and abandoned on a lonely Sardinian road. Last Annabel Schild was seen by her mother, who told the press she was unique (tal courage tomorrow only). The Sunday Times.

Gaullists show rare unity in attacking Britain

From Ian Murray
St Raphael, March 28
Gaullist parliamentarians meeting here showed a rare unity today when they damned Britain and America, and to a lesser extent the Soviet Union, for accepting reports on agricultural and foreign policy.

Whatever the internal problems of the movement, and they are many, its members speak with one voice when it comes to these two subjects and on agriculture they can well claim to speak for France.

Mr. Jean-Claude Pasty, the movement's agricultural spokesman, issued a report of which the keynote passage reads: "They talk a lot of the Iron Maiden (Mrs Thatcher). France must oppose the Iron Maiden with a will of steel as General de Gaulle knew how to do so well from 1940-1945 against Winston Churchill."

His thesis was that France must develop and expand its agriculture and hence its power. Any attempts by the Community to alter the common agricultural policy.

"The firmness with which the Eight will face the British demands at the Brussels summit will be a test of their political will to construct a truly independent Europe," he said to loud applause.

Rather than attack surprise there was a need to incite them in order to ex- "France is not Great Britain. It is to say we have a cultural production, a political production, a production of our internal market." "French agriculture, does not want to be asphyxiated, it is therefore condemned to port."

America was attacked by Jean de Lipowski, a former junior foreign minister, for abuse of economic power, having already abused its military power.

Mr. Lipowski was most daring of all about President Carter's failure to cut off aid to Soviet intervention in Afghanistan clearly from beginning. He was also angry about the President's "unbalanced" initial in saying "Palestinians should have self-determination ignoring the Israeli position."

The united applause greeted both reports, the clash of personalities between Mr. Michel Debré, chosen Prime Minister of Gaulle, and the President, the present Gaullist leader which threatens to fragment movement.

Last Jews in Alexandria await a visit by Israeli leaders

From Christopher Walker
Alexandria, March 28
In faded French writing, the notice at the entrance of the El-Hanuani synagogue still gives a polite warning that a maximum of five minutes is permitted to photograph a wedding because of the need to make way for the family of the next couple in the queue.

"Unfortunately, it is quite irrelevant, as we no longer have any Jewish marriages or births in the city," explained Mr. Clement Setton, president of Alexandria's last-dying Jewish Community. "Once we were 40,000, but now there are only 140 of us left, and the youngest of those is a woman of 60."

This morning, Mr. Setton, a sprightly 75-year-old, was up early to make his way to the synagogue, an elegant and imposing building in the city centre with seating capacity for nearly 1,000. Complete with its impressive pink marble pillars, it has remained completely unscathed during the 30 years that Egypt and Israel were at war.

His purpose was to complete preparations for the emotional visit of two leading Israeli politicians, Dr. Joseph Burg, Interior Minister, and Mr. Yitzhak Shamir, the new Foreign Minister.

Altogether, Jewish possessions in Alexandria are valued at more than £4m, and no one seems to know what will happen to them when the community finally disappears. "It is not a subject that we like to think about too hard," said Mr. Isaac Precourt, aged 65, who still runs a thriving electrical shop

reminisce nostalgically about their city's romantic past. Next to the synagogue, the largest in Egypt, stands the community's former school which still has its name written inconspicuously on an outer wall in large Hebrew script. The building, like many of the other Jewish properties, has now been leased to the Egyptians.

Although Jewish possessions in Alexandria are valued at more than £4m, and no one seems to know what will happen to them when the community finally disappears. "It is not a subject that we like to think about too hard," said Mr. Isaac Precourt, aged 65, who still runs a thriving electrical shop

Once an integral part of Alexandria's uniquely cosmopolitan society, the original 40,000 Jews gradually dwindled in mass emigrations which took place after the wars of 1948, 1956 and 1967.

All the Jews I spoke to claimed to have been well treated by the Egyptians in recent years.

Apartment buildings vulnerable to the vagaries of the Arab-Israeli conflict, the Jews of Alexandria have faced a constant problem of obtaining the materials to continue their religious and social customs. Last spring, the uncalendared bread eaten during Passover had to be flown from Paris.

RIG DISASTER

Sea King helicopters
both air forces
played key rescue role

in Chatteris in the closely-knit circle of helicopter rescue crews the older Kielland affair is seen as having been the test of all the skills, talent and organizations over the past 36 years of this once-despised type of aircraft saving lives in remote jungles toward the Second World War.

Royal Air Force and Norwegian Air Force who took part in Thursday's rescue and were searching for survivors or until late yesterday, all that few machines other than the British-built Westland helicopters could have coped with the appalling conditions in the North Sea.

At one stage there was a serious risk of mid-air collision between the Sea King and a "near" by about 70ft from collision with a civilian helicopter was trying to assist.

reporters covering the disaster were: Alan, Ian Bradley, Charles David Felton, Gibb, Nicholas Hirst, Paul, Ronald Kerdon, McIntyre, Ian, Hugh Noyes, Stewart, Nicholas Timmins.

Lieutenant Michael second pilot of "Rescue" first RAF Sea King of 202 Squadron on the which scrambled from the Northumbrian coast after receiving the call, told me: "We lost the search area at 8.30 half an hour later, and I dingy with ten people

sea was so rough that we thought it would be direct a surface rescue from one of the oil rigs rather than try to winch survivors up ourselves. We realized this would be a long job, and we winched all up in about 45

winchman down the wire light Sergeant Michael. Having experienced the sea at night and being in calm, exercise can be what Flight Sergeant and the other winched to cope with in Thursday's conditions. Clearly

ust have demonstrated endurance and physical endurance. The crew of Rescue 31, the

Flight Lieutenant Neville, aircraft captain pilot, and Flight Sergeant Moody, navigator, dropped a batch of survivors on

it because fog was adding the hazards of high seas. It was picked up an

automatic rescue beacon. They homed down onto it and found a lifeboat with 26 survivors aboard. The lifeboat was damaged and two of the occupants were injured.

Flight Sergeant Yarwood again went down on the wire, and found that the damage to the boat was not critical, and the injuries reported were relatively slight. Instead of winching up the occupants, the crew of Rescue 31 gave a nearby surface vessel an accurate position of the lifeboat, and the 26 were saved shortly after midnight.

Rescue 31 then flew to an oil rig on the Auk field which was still clear of the thickening fog to refuel and rest for a few hours before resuming search operations at first light.

Similar conditions were encountered by the crew of "Rescue 25" from C Flight, 202 Squadron, from RAF Coltishall, Norfolk, which scrambled almost simultaneously. This aircraft was captained by Flight Lieutenant Jim Bellingham, with Flight Lieutenant Adrian Nokes as second pilot, with Master Air Electronics Operator John Reeson and Master Air Loadmaster Ted Berry in the back.

While the loss of the Alexander Kielland will obviously pose many safety questions affecting the North Sea oil industry, the success of the rescue operation ironically owes much to the concern voiced in the late 1960s in Britain about the lack of effective helicopter rescue coverage of the North Sea.

After much political pressure the British Government finally authorized the expenditure of some £20m on a fleet of Sea Kings to replace the small short-range Whirlwind helicopters which could have given no effective assistance on Thursday night.

Another important factor in the success of the rescue operation was the close liaison between the RAF and the Royal Norwegian Air Force, which also uses British-built Sea Kings.

Royal Air Force, Royal Navy and British civilian helicopter units constantly train with, and exchange information with their opposite numbers in Norway, Denmark, West Germany, Sweden, Belgium, France, and the Irish Republic. The Alexander Kielland disaster, occurring virtually midway between Britain and Norway was a classic example of the need for such international cooperation.

Another factor contributing to the rescue was the presence of an RAF Nimrod long-range maritime reconnaissance aircraft from the force of three squadrons primarily employed to keep a watch on the activities of Warsaw Pact ships and aircraft in the North Atlantic and the Western Approaches.

In the atmosphere of friendly rivalry which exists between the RAF and the Royal Navy in helicopter rescue operations the RAF yesterday were empowered to take the lead in the search for the Alexander Kielland.

The RAF's answer to the Navy's "finest hours" during the Fastnet Yacht race rescue. No one was rejoicing much however. As with the Navy after Fastnet, there was the sobering reflection in RAF quarters about those whom they had not been able to save.

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The four remaining legs of the Alexander Kielland visible above the level sea and (right) the broken leg which caused the platform to capsize, trapping an unknown toll of victims.

Doomed rig
converted
in Norway to
'sea hotel'

From Ian Murray
Paris, March 28

The Alexander Kielland was built by the Compagnie Française d'Entreprises Métalliques at Dunkirk at a cost of 200m francs. It was delivered in 1976 to Stavanger Drilling, the Norwegian company which ordered it.

A spokesman for CFEM said today: "We have absolutely no idea how this disaster could have happened." For the moment, the company is waiting for reports from the owners and the operators, British Petroleum, before starting its own inquiry. There was no reason, he said, for the other 10 rigs of the same design (the P89) serving in the North Sea to be withdrawn.

This rig had been altered in Norway from a search platform into a "sea hotel". The conversion has been carried out in full consultation between CFEM and Stavanger Drilling, and the spokesman said that this conversion was only one possible reason for the platform's failure.

Designs for the platform were worked out between 1963 and 1966 by the French state Institut de Pétrole (ISP) and the French company Neptune-FORM, specifically for use in the North Sea. The first platform went into service in 1967, and there have been no previous accidents involving them.

The five-leg design was chosen to give the rig extra stability and over the years they had proved themselves, according to the spokesman.

The ISP said they, too, were waiting for reports from both the owners and the builders before deciding what further action they needed to take.

In Dunkirk, the CFEM's director, M. Michel Rivat, said the semi-submersible platform P89 type offshore rigs were "built to resist extremely violent storms with waves of 25 to 30 metres". He added that the company did not yet know the nature of the modifications in Norway to convert it to living quarters, Agence France-Press reports.

Of the eleven P89 platforms operating in the world, seven were built by CFEM.



Dry land and safety again for some of the survivors arriving at Stavanger airport.

13 Britons safe but 20
still among missing

More than 20 British workers were among those feared to be still missing yesterday. But another 13 were "reasonably well" in Stavanger hospital according to their employers, Grootco (UK) Ltd, of Middlesbrough.

For the wives and families of others the waiting, and praying, continued. In Grimsby, Mrs Margaret Poulter was sitting by the telephone with her daughters Andrea, aged 19, and Jill, aged 16, at school.

She has been told that her husband Jimmy, aged 39, was in the cinema when the platform capsized. "All I have heard is a report from Jimmy's friend Tony Sylvester that he got out of the cinema", she said.

"We are just praying that he got into a supply boat. He is a very good swimmer. He won't give up without a fight," Mrs Poulter said her husband was a floor specialist who had worked for two years on the rig.

His friend, Mr Sylvester, a scaffolder aged 31 also from Grimsby, is one of the 13 in Stavanger hospital. He climbed into a lifeboat which he and his companions had to bail out with their shoes. He telephoned his wife, Ingrid, at their home in Webby Close, to reassure her he was safe.

Mrs Sylvester said yesterday she was at a performance of West Side Story, in which her son Vince, aged 12, was appearing, when she heard of the disaster.

"I just didn't believe it," she said. "We went home and we were all terribly frightened. But there was nothing we could do. We just had to sit and wait. Then at about 1 am we heard Tony was safe." It was late in the morning that her husband telephoned to say he hoped to come home some time today. He worked for Grootco, and had been on North Sea rigs for three years.

Mr J. van Nieuwburg, Grootco's manager, said employees of the company, which specializes in "hooking up" rig components come from all over Britain. He could not say how many of his 31 employees in the Ekofisk field were on board the rig at the time. "The accident happened at the moment of a crew change-over". It was later confirmed that all 31 were on the rig when it capsized.

Mr Nieuwburg said the company had set up an emergency

information centre for its employees' families. One Briton believed missing was Mr John Harris, from Timberley Drive, Grimsby.

Another missing Briton is believed to be Mr Brian Dowson, a foreman, father of two children from Malvern Rise, Lowestoft. A friend at the family's home said: "We gather Brian is not among the 13 Britons who are safe. His wife is here and we're all just waiting for news."

Mr Terry Lister, 40, of Monmouth Street, Hull, father of three, a foreman rigger escaped from the cinema and was 11 hours in a life raft before being picked up by helicopter.

His wife Vivienne, who learned he was safe at dawn yesterday said he was in the water for some time before finding an overturned life raft and other survivors struggling and scrambling aboard. He had joined the rig only the day before.

Mrs Josephine McGrady told yesterday how her husband John went to work on the rig because he could not get a job in his home town. Mr McGrady, aged 43, left the Cumberland unemployment black spot of Cleator Moor two years ago "because he was desperate for work". Mr McGrady would be due home on Wednesday. His wife and two sons, aged 16 and 12, spent the night waiting by the telephone at their semi-detached home in Thornfield Close, Cleator Moor.

Mrs McGrady said: "If he lives through this I never want him to go back."

The first that one of the men's wives heard of the disaster was when her husband phoned her on Thursday night to say he was safe.

Mrs Elizabeth Munro, aged 30, said at her home in Woodhall Avenue, Coatbridge, near Glasgow, yesterday: "He told me one of the legs had snapped and it had heeled over."

Mr Thomas Munro, aged 46, her husband, had had a narrow escape. He had finished his shift on a nearby platform and was about to board a helicopter to return to the accommodation vessel when the disaster happened.

Another survivor was named as Mr William Brookling, from Condorast, Strathclyde. He was plucked from the sea and is one of those recovering in Stavanger hospital.

State can
order
immediate
checks

By Hugh Noyes,
Parliamentary Correspondent

Mr David Howell, the Secretary of State for Energy, making an interim statement in the House of Commons yesterday on the oil rig disaster, assured anxious MPs that powers existed to enable the Government to carry out immediate safety inspections of similar structures in the British sector of the North Sea.

He told the House that classification of all oil rig structures in the British sector was going ahead as rapidly as possible and there was constant concern with safety regulations and inspections.

The tragedy was a sombre warning, Mr Howell said, of the appallingly dangerous conditions in which men were continuously working in the North Sea to provide this country with oil.

Mrs Thatcher has sent a message of concern and sympathy to the Norwegian Prime Minister and Mr Howell has sent a similar message to the Norwegian Energy Minister. All possible assistance was being offered by Britain.

He assured MPs that the British Government would keep closely in touch with any developments involving an inquiry.

Dr David Owen, Opposition spokesman on energy, expressed sympathy on behalf of the Labour benches, agreed with Mr Howell that no boundary line in the North Sea should be allowed to impede the need for the fullest and closest cooperation.

North Sea safety was the responsibility of all, and everyone knew, Dr Owen said, that in similar circumstances this country would have the support of the Norwegians.

The Queen's sympathy: The Queen sent a message of condolence to King Olav of Norway over the North Sea tragedy, a Buckingham Palace spokesman said.

Thatcher message
Mrs Thatcher is sending a message of sympathy to the Norwegian Prime Minister and Mr Howell has sent a similar message to the Norwegian Energy Minister. All possible assistance was being offered by Britain.

Phillips Petroleum said yesterday that they were due to take on charter next month the Henrik Ibsen rig, which is of similar design to the Alexander Kielland and was built by the same company.

Phillips said that they were not aware of having any other rigs of the same design on charter. They said: "We haven't discovered the cause of the accident. It would be silly to assume at this stage that there is necessarily any design fault in the rig."

Unions demand urgent
look into gale risks

By Donald Macintyre
Labour Reporter

National and local union officials yesterday called for an immediate inspection of all North Sea rigs which might carry the same risk of being capsized as the Alexander L. Kielland.

Both the Association of Scientific Technical and Managerial Staffs and the Transport and General Workers' Union endorsed a call by the Aberdeen-based inter-union offshore committee for detailed structural examinations of similar rigs to ensure that they could withstand gales.

The two unions were represented on the Burgoyne Committee whose official report on offshore safety was published earlier this month and issued a dissenting note urging that the enforcement of safety standards on British installations should not be left to the Department of Energy.

While professing anxiety not to be seen as exploiting the disaster, particularly before a full inquiry had uncovered the cause, union officials claimed that it underlined the TUC view that current enforcement of safety provisions in the North Sea are inadequate.

Mr Stanley Davison, assistant general secretary of ASTMS, which in its official regard as the seriously under-unionized field of North Sea exploration claims about 1,000 members, mainly technical personnel, said last night: "I have called for an urgent inspection of all similar semi-submersibles by the current operators to ensure that a similar tragedy could not occur on other rigs."

Mr Davison said last night that although there were ASTMS members working in the Ekofisk field, mainly for subcontractors including Decca Surveys, as far as he knew none had been aboard the Kielland.

Mr Davison noted that Norwegian enforcement of safety was in the unions' view tighter than that for British installations and added: "If this sort of appalling tragedy can happen there, what can we expect in United Kingdom waters?"

In insisting that the Health and Safety Executive, rather

than the Department of Energy should enforce safety provisions, the signatories to the minority report, Mr John Miller of the TGWU and Mr Roger Lyons of ASTMS were chiefly concerned with the more routine casualties which occurred in operating conditions, rather than the question of the seaworthiness of the vessels themselves.

Moreover, they argued strongly that Norwegian safety standards were higher and pointed out that in contrast to the British the Norwegian Government had in the wake of the Ekofisk blow-out transferred responsibility for occupational and structural safety offshore from the Ministry of Energy to the Ministry of Labour on December 31 1978.

Mr Miller said, however, yesterday that he believed the disaster still underlined the need for the Health and Safety Act to be applied in full to North Sea installations.

At present there is no provision for onshore industry or the right of union safety representatives to be consulted. It is all up to the installation engineer who is responsible to the company.

Union officials also pointed to a recommendation in the Burgoyne report, on which there was no dissent, urging the Department of Energy to issue guidance on standby vessels and in particular to consider alternative methods of evacuation of lifeboats and life rafts in emergencies, such as scrambling nets.

The committee also said that work should be done on minimizing heat loss of persons in the water.

The TUC in its submission urged survival drills to be made compulsory in on shore training and that evacuation and fire drills should be made fully effective.

Miss Sheila McKechie, ASTMS' health and safety officer, said last night: "When you are on the limits of technology as in the North Sea the conflicts between safety and production are extreme. There is no doubt that this high risk area in many cases production is put before safety."

Doubts raised about other
five-legged submersibles

There are 11 French-designed rigs like the Alexander L. Kielland (the Press Association). It was a five-legged semi-submersible, floating on five 28 foot steel columns, each resting on an air-filled pontoon.

In the violent seas 150 miles off Berwick and 200 miles from the Norwegian coast, Stavanger Drilling used the Kielland as a five-storey floating hotel for Ekofisk field workers.

All the world's five-legged submersibles are French designed. Most were built in the 1970s in Dunkirk.

In London, the Department of Energy and Lloyd's Register await official reports on the Norwegian-owned rig's collapse.

Professor Walker said: "It is possible one pontoon began to fill with water. Then the stresses might have become very much larger than the designer would have taken into his calculations."

Dr Cheng Kuo, professor of shipbuilding and naval architecture at Strathclyde University, Glasgow, says that in recent years oil companies have favoured a newer design than the French one, with platforms resting on two giant pontoons rather than five.

Dr Kuo says vessels like the Kielland used their huge columns resting on pontoons deep below the sea to stabilize their five-storey superstructures. Mooring lines run down beside each of the five legs. If one breaks, the mooring lines of the four others will help create an uneven pull.

"If one of the five columns gets separated for whatever reason, the chances are that the

structure will capsize very quickly. There is very little time to take corrective action."

He was against dramatic measures, like evacuating all 15 French-designed "pentagons".

British Petroleum said: "Everyone has to use semi-submersibles because they are the only ones capable of operating in exploration rigs in North Sea conditions."

The UK Offshore Operators' Association said: "The mere fact that a semi-submersible was involved doesn't tell us anything about that system in general."

Investigators are bound to examine the Kielland's anchorage. The rig was chained to the seabed, but the chains were linked to the superstructure by a short section of heavy wire.

The oil industry is reported to have had doubts recently about using wire in the anchorage systems of semi-submersibles.

Thursday's disaster comes three weeks after a British report on offshore rig safety. Mr Brian Cook, editor of Offshore Services Magazine, said: "I don't believe what happened yesterday affects rigs and platforms of other designs in the North Sea."

Dutch join search
The Hague, March 28.—The Dutch Navy sent one of its warships to help search for survivors. The Oorlogschip, specialized in anti-submarine warfare, was on an exercise in the North Sea.

London will
over most
insurance

hard Allen substantial part of the insurance claim for damage to the Alexander Kielland will have to be paid by Lloyd's and the market.

Accommodation rig was in Norway for a total of 10 months, about the value of a tanker, and much of the cost came to London from a reinsurance package by insurance brokers, Mr. Forbes, Bland,

as disasters: April 16, The Ocean Express oil rig off the Gulf of Mexico, 13.

1, 22, 1977: 15,000 tons of oil gushed into North Sea during a safety change on the Bravo rig, Ekofisk field. The 12 on board were evacuated. Red Admiral, the United Firefighter, brought the rig under control. The rig was manned by 15 men.

Petroleum, the operator of the Alexander Kielland, in 1979, six accidents occurred, mainly off the coast of Louisiana, United States. The serious was the blow-out of the One oil well in the Gulf of Mexico on June 3, but it was spewing into the sea a giant spill that lasted months.

North Sea has seen many accidents, drilling for oil but none on the scale of this month's disaster. Loss of life has been mainly confined to incidents involving

er this month 28 support staff from a drilling rig, the Argill Field, Oceanic, were evacuated as a precaution after a blow-out.

e Minister being informed
Prime Minister, who was quers yesterday for Mr. Berr, Schmidt, the West German Chancellor, was being informed of developments in the tragedy, as did the party.



Wrapped in a blanket, a rescued man tells his story.

Platform was due for structural inspection in July

By David Felton and
Ian Bradley

The Alexander L. Kielland, which was built in France nearly four years ago, was checked by the Norwegian authorities for structural defects last September and was due for inspection in July.

September's inspection covered the basic structure, machinery and equipment and although some minor faults were found, these were rectified and were not related to structural problems.

The inspection was carried out by engineers from Det Norske Veritas, the Norwegian equivalent of the British Lloyd's Register of Shipping, which certifies vessels and rigs, operating under the Norwegian flag, for insurance purposes.

Mr Christian Mathiesen, technical director of the non-profit making body, said in Oslo last night that a team of rig experts were waiting for the collapsed

column to be brought ashore for inspection. "It is too soon to say what went wrong, we have to wait until we have all the information."

Most of the rigs of similar design were built in Dunkirk by Compagnie Française d'Entreprises Métalliques.

Mr Mathiesen said that the certification process was "very comprehensive" and started at the design stage when the technical drawings, design and specifications, had to be approved by his organization. Checks were carried out throughout the construction of a rig, including tests on materials being used.

Mr Mathiesen said the completed rig was then surveyed to ensure that it complies with the design and with Norwegian Government safety regulations which are administered by the Maritime Directorate. Items covered by the final certification include materials, structural

stability, water-tight integrity, its steering gear, electrical equipment and protection against explosion.

Each year Det Norske Veritas carries out an inspection of vessels it has certificated and once every four years there is a more comprehensive check. These are in addition to regular checks by the Maritime Directorate to make sure that safety regulations are being implemented.

British maritime engineers last night said there were four possible reasons for the Kielland tragedy. Materials could have fractured due to metal fatigue, there could have been a material failure because of oversteering; metal could have buckled under abnormal pressure from wind and waves and there may have been an unforeseen accident, which combined with high stresses, could have caused the metal in the column to rupture and buckle.

A Lloyd's spokesman said: "This is probably the worst offshore rig disaster. Around the world there are more than 450 semi-submersibles of all designs but we can't recall anything of quite this scale."

Total Oil Marine have on charter the Pentagon 84 rig, which is semi-submersible and of similar design to the Alexander Kielland. It has been drifting off the Shetland Islands for about two months. It is owned by Fofex-Neptune.

Unlike the Alexander Kielland, which was built in France, Pentagon 84 was built in Finland. It also differs from the stricken rig in being used for drilling rather than for accommodation.

Total said yesterday that they have had no problems with their rig and do not feel it is necessary to halt operations.

Saturday Review

The porridge party

by Graham Greene

The disagreeable manservant, whom I had hoped never to see again, opened the door. There were five expensive cars lounging in the drive, two of them with chauffeurs, and I thought that he looked at my little Fiat 500 with disdain. Then he looked at my suit and I could see that his eyebrows went up. "What name?" he asked, though I felt sure that he remembered it well enough. He spoke in English with a bit of a cockney twang. So he had remembered my nationality.

"Jones," I said.
"Doctor Fischer's engaged?"
"He's expecting me," I said.
"Doctor Fischer's dining with friends."

"I happen to be dining with him myself."
"Have you an invitation?"
"Of course I have an invitation."
"Let me see the card."
"You can't. I left it at home."

He scowled at me, but he wasn't confident—I could tell that. I said, "I don't think Doctor Fischer would be very pleased if there's an empty place at his table. You'd better go and ask him."
"What did you say your name was?"

"Jones."
"Follow me."
I followed his white coat through the hall and up the stairs. On the landing he turned to me. He said, "If you've been lying to me... if you weren't invited... if he made a motion with his fists like a boxer sparring."

"What's your name?" I asked.
"What's that to do with you?"

"I just want to tell the Doctor how you welcome his friends."
"Friends," he said. "He has no friends. I tell you, if you weren't invited..."

"I am invited."
We turned the opposite way from the study where I had last seen Doctor Fischer and he flung open a door. "Mr Jones," the man grunted and I walked in, and there stood all the Towns looking at me. The men wore dinner jackets and Mrs Montgomery a long dress.

"Come in, Jones," Doctor Fischer said. "You can serve dinner as soon as it's ready, Albert."

The table was laid with crystal glasses which caught the lights of a chandelier overhead: even the soup plates looked expensive. I wondered a little at seeing them there: it was hardly the season for cold soup. This is Jones, my son-in-law," Doctor Fischer said. "You must excuse his glove. It covers a deformity. Mrs Montgomery, Mr Kips, Monsieur Belmont, Mr Richard Deane, Divisionnaire Krueger." (Not for him to mistake Krueger.) I could feel the fumes of their hostility projected at me like tear-gas. Why? Perhaps it was my dark suit. I had lowered what apartment builders would call the "standing".

"I have met Monsieur Jones," Belmont said as though he were a prosecution witness identifying the accused.

"Me too," said Mrs Montgomery, briefly.

"Jones is a great linguist," Doctor Fischer said. "He translates letters about chocolates," and I realised he must have made enquiries about me from my employers. Here, Jones, at our little parties we use English as our common language because Richard Deane, great star though he may be, speaks no other, though he sometimes attempts a kind of French in his cups—after his third one. On the screen you've only heard him dubbed in French.

Everyone laughed as though on cue except Deane who gave a merciless smile. "He has the qualities after a drink or two to play Falstaff except a lack of humour and a lack of weight. The second tonight we shall do our best to remedy. The humour, I'm afraid, is beyond us. You may ask what is left. Only his fast-diminishing reputation among women and teenagers. Kips, you are not enjoying yourself. Is something wrong? Perhaps you miss our usual aperitifs, but tonight I didn't want to spoil your palates for what's coming."

"No, no, I assure you nothing is wrong," Doctor Fischer. Nothing."
"I always insist," Doctor Fischer said, "at my little parties that everybody enjoys himself."

"They are a riot," Mrs Montgomery said. "a riot."
"Doctor Fischer is invariably a very good host," Divisionnaire Krueger informed me with condescension.

"And so generous," Mrs Montgomery said. "This necklace I'm wearing—it was a prize at our last party. She was wearing a heavy necklace of gold pieces—they seemed to me from a distance to be Krueger-rands."

"There is always a little prize for everyone," the Divisionnaire murmured. He was certainly old and grey and he was probably full of sleep. I liked him the best because he seemed to have accepted me more easily than the others.

"There the prizes are," Mrs Montgomery said. "I helped him choose." She went over to a side-table where I noticed now a pile of gift-wrapping parcels. She touched one with the tip of a finger like a child reaching a Christmas stocking to tell from the crackle what is within.

"Prizes for what?" I asked.
"Certainly not for intelligence," Dr Fischer said, "or the Divisionnaire would never win anything."
Everyone was watching the pile of gifts.

"All we have to do is just to put up with his little whims," Mrs Montgomery explained, "and then he distributes the prizes. There was one evening—can you believe it?—he served up live lobsters with bowls of boiling water. We had to catch and cook our own. One lobster nipped the General's finger."

"I bear the scar still," Divisionnaire Krueger complained.
"The only wound in action which he has ever received," Doctor Fischer said.
"It was a riot," Mrs Montgomery told me as though I might not have caught the point.
"Anyway it turned her hair blue," Doctor Fischer said. "Before that night it was an unsavoury grey stained with nicotine."
"Not grey—a natural blond—and not nicotine-stained."
"Remember the rules, Mrs Montgomery," Doctor Fischer said. "If you contradict me once again you will lose your prize."
"That happened once at one of our parties to Mr Kips," Monsieur Belmont said. "He lost an eighteen-carat gold lighter. Like this one." He took a leather case from his pocket. "It was little loss to me," Mr Kips said. "I don't smoke."
"Be careful, Kips. Don't denigrate my gifts—or yours might disappear a second time tonight."



Illustration by Sally

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"I thought: But surely this is a madhouse ruled by a mad doctor. It was only curiosity which kept me there—certainly it was not for any prize that I stayed."

"Perhaps," Doctor Fischer said, "before we sit down to dinner—a dinner I very much hope that you'll enjoy and do full justice to as I have given a great deal of thought to the menu—I should explain to our new guest the etiquette we observe at these dinners."

"Most necessary," Belmont said. "I think you will excuse me—you should perhaps have put his appearance here—shall we say?—to the vote? After all, we are a kind of club."

"Mr Kips said, 'I agree with Belmont. We all of us know where we stand. We accept certain conditions. It's all in the spirit of fun. A stranger might misunderstand.'"

"Mr Kips in search of a dollar," Doctor Fischer said. "You are afraid that the value of the prizes may be reduced with another guest just as you hoped the value would rise after the death of two of our number."

There was a silence. I thought from the expression in his eyes that Mr Kips was about to make an angry reply, but he didn't: all he said was, "You misunderstand me."

Now all of this, read by someone not present at the party, might well sound no more than the jolly banter of clubmen who insult each other in a hearty way before sitting down to a good dinner and some heavy drinking and good companionship. But to me, as I watched the faces and detected how near the knuckle the teasing seemed to go, there was a hollowness and a hypocrisy in the humorous exchanges and hate like a raincloud hung over the room—haired of his guests on the part of the host and harried of the host on the part of the guests. I felt a complete outsider for, though I disliked every one of them, my emotion was too weak as yet to be called hatred.

"To the table then," Doctor Fischer said, "and I will explain to our new guest the purpose of my little parties, while Albert brings in the dinner."

I found myself sitting next to Mrs Montgomery who was on the right of the host. I had Belmont on my right and the actor Richard Deane opposite me. Beside every plate was a bottle of good Yvonne, except beside our host's, who, I

noticed, preferred Polish vodka.

"First," Doctor Fischer said, "I would ask you to toast the memory of our two—friends shall I call them on this occasion?—on the anniversary of their deaths two years ago. An odd coincidence. I chose the date for that reason. Madame Faverjon died by her own hand. I suppose she could no longer stomach herself—she was difficult enough for me to stomach her, though I had found her at first an interesting study. Of all the people at this table she was the greediest—and that is saying a good deal. She was also the richest of all of you. There have been moments when I have watched each one of you show a sign of rebelling against the criticisms I have made of you and I have been forced to remind you of the present at the end of dinner which you were in danger of forgetting. That was never the case with Madame Faverjon. She accepted everything and anything in order to qualify for her present, though she could easily have afforded to buy one of equal value for herself. She was an abominable woman, an unspeakable woman, and yet I had to admit she showed a certain courage at the end. I doubt if one of you would ever show as much, not even our gallant Divisionnaire. I doubt if one of you has even contemplated ridding the world of his unnecessary presence. So I'll ask you to toast the ghost of Madame Faverjon."

I obeyed like all the others. Albert entered carrying a silver tray on which there was a large pot of caviare and little silver dishes of egg and onion and sliced lemons.

"You will excuse Albert for serving me first," Doctor Fischer said. "I adore caviare," Mrs Montgomery said. "I could live on it."

"You could afford to live on it if you were prepared to spend your own money."

"I'm not such a rich woman as all that."

"Why bother to lie to me? If you weren't as rich as you are you wouldn't be sitting at this table. I invite only the very rich."

"What about Mr Jones?"

He is here as an observer rather than as a guest, but of course, as he is my son-in-law, he may imagine he has great

expectations. Expectations too are a form of wealth. I am sure Mr Kips could arrange him substantial credits, and expectations are not taxable—he wouldn't need to consult Monsieur Belmont. Albert, the butler.

For the first time I noticed that there were no napkins by our places. Albert was fastening a bib round Mrs Montgomery's neck. She gave a squeal of pleasure. "Eccreuses! I love eccreuses!"

"We haven't roasted the late lamented Monsieur Grosjean," the Divisionnaire said, adjusting his bib. "I won't pretend that I ever liked that man."

"Hurry up then, while Albert fetches your dinner. To Monsieur Grosjean. He only attended two of our dinners before dying of cancer, so I had no time to study his character. If I had known of the cancer I would never have invited him to join us. I expect my guess to entertain me for a much longer time. Ah, here is your dinner, so I can now begin my own."

Mrs Montgomery gave a high shriek. "Why, this is porridge, cold porridge!"

"Real Scotch porridge. You should appreciate it, with your Scotch name," Doctor Fischer gave himself a helping of caviare and poured himself out a glass of vodka.

"It will destroy all our appetite," Deane said.

"Don't be afraid of that. There is nothing to follow."

"This is going too far, Doctor Fischer," Mrs Montgomery said. "Cold porridge. Why, it's totally inedible."

"Don't eat it then. Don't eat it," Mrs Montgomery. By the rules you will only lose your little present. To tell you the truth I ordered porridge especially for Jones. I had thought of some partridges, but how could he have managed with one hand?"

To my astonishment I saw that the Divisionnaire and Richard Deane had begun to eat and Mr Kips had at least picked up his spoon.

"If we could have a little sugar," Belmont said, "it might perhaps help."

"I understand that the Welsh—no, no, I remember, Jones—I mean the Scots—consider it a blasphemy to spoil their porridge with sugar. They even eat it, I am told, with salt. You may certainly have salt. Offer the gentlemen salt, Albert. Mrs Montgomery has decided to go hungry."

"Oh no, I won't ruin your little joke," Doctor Fischer.

Give me the salt. It can't make the porridge any worse than it is."

Within a minute or two to my wonder they were all eating in silence and with a grim intensity. Perhaps the porridge clogged their tongues. "You don't attempt yours, Jones?"

Doctor Fischer asked me and he helped himself to a little more caviare.

"I'm not hungry enough."
"Nor rich enough," Doctor Fischer said. "For several years now I have been studying the greediness of the rich. To him that hath shall be given—those cynical words of Christ they take very literally. 'Given' not 'earned', you notice. The presents I hand out when the dinner is over they could easily afford to give themselves, but then they would have earned them if only by signing a cheque. The rich hate signing cheques. Hence the success of credit cards. One card takes the place of a hundred cheques. They'll do anything to get their presents for nothing. This is one of the hardest tests I've submitted them to yet, and look how quickly they are eating up their cold porridge, so that the time for the presents will arrive. You, I am afraid, will get nothing, if you don't eat."

"I have something of more value than your present waiting for me at home."

Very gallantly put, Doctor Fischer said, "but don't be too confident. Women don't always wait. I doubt if a missing hand aids romance. Albert, Mr Deane is ready for a second helping."

"Oh no," Mrs Montgomery said, "no second helpings."

"It's for the sake of Mr Deane. I want to fatten him so that he can play Falstaff."

Deane gave him a furious look, but he accepted the second helping.

"I'm joking, of course. Deane could no more play Falstaff than Brit Eklund could play Cleopatra. Deane is not an actor: he is a sex object."

Tease him, girls, worship him, Jones. How disappointed they would be if they could see him without his clothes. I have reason to believe that he suffers from premature ejaculation. Perhaps the porridge will slow you down, Deane, my poor fellow. Albert, another plate for Mr Kips and I see Mrs Montgomery is nearly ready. Hurry up, Divisionnaire, hurry up, Belmont. No presents before everyone has finished." I was reminded of a huntsman controlling his pack with a crack of the whip.

"Watch them, Jones. They are so anxious to be finished that they even forget to drink."

"I don't suppose Yvonne goes well with porridge."

"Have a good laugh at them, Jones. They won't take it amiss."

"I don't find them funny."

"Of course I agree that a party like this has a serious side, but all the same... Aren't you reminded a little of pigs eating out of a trough? You would almost think they enjoy it. Mr Kips has spit some porridge over his shirt. Clean him up, Albert."

"You revolt me, Doctor Fischer."

He turned his eyes towards me: they were like the polished chips of a pale blue stone. Some grey beads of caviare had lodged in his red moustache.

"You I can understand how you feel. I sometimes feel that way myself, but my research must go on to its end. I won't give up now. Bravo, Divisionnaire. You are catching them up. You play a good spoon, Deane, my boy. I wish your female admirers could see you at this moment, gazing away."

"Why do you do it?" I asked. "Why should I tell you? You are not one of us. You never will be. Don't count on your expectations from me."

"I don't."

"You have a poor man's pride, I see. After all, why shouldn't I tell you. You are a sort of son. I want to discover, Jones, if the greed of our rich friends has any limit. If there's a 'Thus far and no further'. If a day will come when they'll refuse to earn their presents. Their greed certainly isn't limited by pride. You can see that for yourself tonight. Mr Kips, like Herr Krupp, would have sat down happily to eat with Hitler in expectation of favours whenever he was placed before him. The Divisionnaire has spilled porridge down his bib. Give him a clean one, Albert. I think that tonight will mark the end of one experiment. I am playing with another idea."

"You are a rich man yourself. Are there limits to your greed?"

"Perhaps I shall find out one day. But my greed is of a different kind to theirs. I'm not greedy for trinkets, Jones."

"Trinkets are... ha, enough."

"I like to think my greed is a little more God's."

"Is God greedy?"

"Oh, don't think I'm a moment I believe in a devil, but I have always theology an amusing in real game. Albert, Mrs Montgomery has finished her ridge. You can take her What was I saying?"

"That God is greedy."

"Well, the believers in sentimentalism say that greedily for our love. I pre- think that, judging from world he is supposed to made, he can only be for our humiliation, and greed how could he exhaust? It's bottomless world grows more and miserably while he twists endless screw, though gives us presents—its purpose—to alleviate humiliations, we suffer cancer of the rectum, a sing cold, incontinence, example, you are a poor so he gives you a present, my daughter, to you satisfied a little long there's a very big a tion," I said. "If it's God gave her to me I'm grate him."

"And yet perhaps Mrs gomery's necklace will longer than your so-love."

"Why should he humiliate us?"
"Don't wish to humiliate. And they say he made his image. Perhaps he he was a rather bad craft and he is disappointed result. One throws a article into the dustbin look at them and laugh. Have you no humour? One has an empty plate but Kips, and how imp- Belmont is even finish his plate for him. I'm sure it's quite in accord with my rules, but I'll it pass. Bear with a moment longer, my fri while I finish my caviare. Can you take their bids, Albert."

This extract is taken from *Dr Fischer of Geneva or Bomb Party* by Graham Greene, which has just published by The Bodley at £4.50.

© 1980 Graham Greene.

Records of the month

Charming curiosities of the vocal art

Frederica von Stade: Arias by Verdi, Monteverdi, Rossini, Puccini, Leoncavallo, National Centre Orchestra/Bernardi. S 76800, £4.99.

Her: Songs. Stadel/LPO/Decca. S 76800, £4.99.

Her: Songs. Stadel/LPO/Decca. S 76800, £4.99.

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Her: Songs. Stadel/LPO/Decca. S 76800, £4.99.

Orpheus exuberantly emerges from the undergrowth

Offenbach: Orpheus in the Underworld. Mesplé/Rhodes/Sénéchal Toulouse Orchestra/Plasson. HMV SLS 5175 (3 records), £13.95.

Masenet: Werther. Trovatos/Kraus/Manguerra. LPO/Plasson. HMV SLS 5183 (3 records), £13.95.

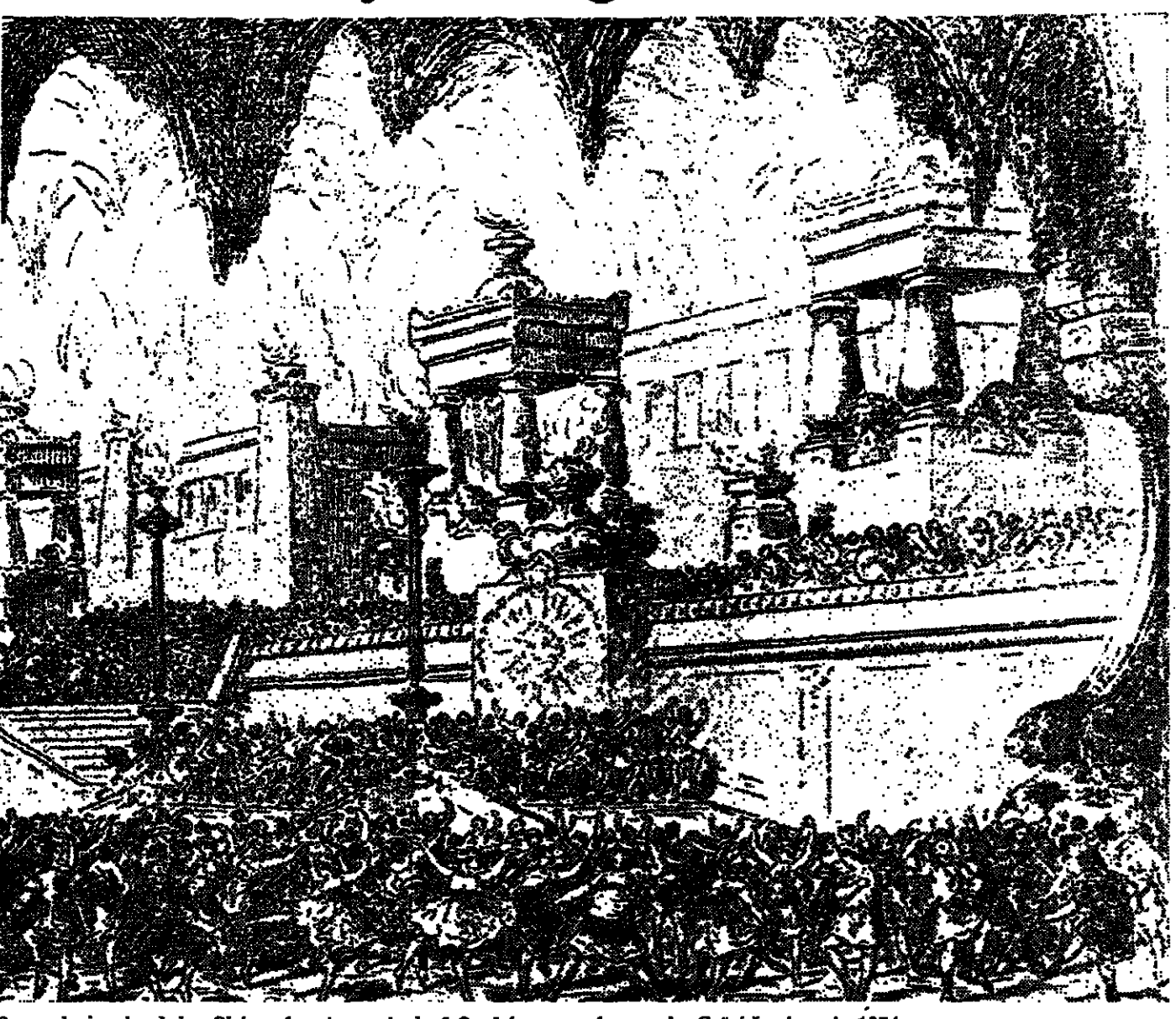
Masenet: Cavalleria Rusticana. Scotto/Domingo/Elvira/NPO/Levine. RCA RL 13091, £5.49.

Which of Offenbach's works contains a greater quantity of familiar and popular music than Orpheus aux enfers? The answer has to be none. Yet theatres recently have tended to avoid it. In this Offenbach centenary year Hoffmanns are sprouting from stages all round the world like September mushrooms, but where is the glimmering new Orpheus? And if opera houses have gently shown Orpheus the side exit then the situation among the record companies has been even worse. Anyone looking for a new version in the language in this country would have been hard pressed to run one to earth.

A hint at the reason for this neglect is made in the brief and lively introduction by Maurice Tassart to EMI's issue this month. A set of three welcome because it fills one of the largest gaps in the lyric catalogue. As M. Tassart points out, Orpheus was Offenbach's first full-length work for the theatre. Earlier he had been confined to one-acters in the main. Several were admirably knitted together, like *Mesdames de la Halle* revved in a triple bill at the Salle Favart in Paris last Christmas, but when the chance came for Offenbach to spread his wings he seized his opportunity eagerly, and stretched his wings even further when he revived *Orpheus* in 1874.

Orpheus became a large-scale opera: four acts, 14 solo roles, two choruses. Staged properly it requires considerable resources and takes quite a time to perform—no long for the mass of several *Amazons* and *burlesques* when Offenbach produced at the Holland Festival a few years ago.

No one could accuse EMI of stinging on their new recording, which includes the ballet music and extra scenes from the 1874 production. The spoken dialogue is cut to the bone but even so the six sides of the set



Stage design by Jules Chéret for the revival of *Orphée aux enfers* at the Gaité-Lyrique in 1874

are pretty well filled. The driving force behind this performance is clearly Michel Plasson and his favoured forces from Toulouse, to whom EMI are now wisely entrusting most of their French operetta. Plasson conducts with a firm, gusto and wit which are at one with the mocking energy Offenbach displayed at the height of his powers. Nothing is sacred, least of all Gluck's *Orfeo*, a point worth noting by those who were 'appalled' by the *Fidelio* quote in the Covent Garden *Fledermaus*—and the

derivative high spirits have the flavour of an old-fashioned night with the Crazy Gang at the Victoria Palace. A little more of Plasson's youthful brio could have been injected into the cast, who in one or two cases are decidedly long in the musical tooth. In some instances it does not matter: Michel Sénéchal plays Orpheus as a middle-aged, down-at-heel music teacher, which is very close to the intention of Offenbach and his librettist, and the veteran mezzo Jane Rhodes is a poised

and incisive Public Opinion. On the other hand Mady Mesplé lacks allure as Eurydice and the voice is anaemic at the top. Some of the most attractive interpretations come from the singers who struck the ear at that Salle Favart triple bill last year: Charles Burles as Aristée/Pluto and Jean-Philippe Lemaire and Michel Trempois as Mars and Jupiter respectively.

Plasson is also in charge of EMI's new *Werther*, although this time he is working in London with the LPO. The recording quality is noticeably better than in *Orpheus*, where there is too much of the reverberant sound French engineers, or at least some of them, seem to favour at the moment. For *Werther* Michel Plasson rightly changes his musical colours, replacing Offenbach's irreverence with Massenet's melancholy. It is a slow-paced, reflective version of the score, lingering lovingly over its many beauties, quite different from Riccardo Chailly's much more energetic reading for DG at the end of last year.

And here, immediately, arises the matter of choice. *Werther* will move during the course of a year from virtually no representation in the catalogue to providing a choice of three new sets, the third being the Philips version which has been recorded by Frederica von Stade and Jose Carreras under the baton of Sir Colin Davis.

So which to buy? The obvious answer for the cautious is to wait and listen. But, for the benefit of the impatient, the qualities of this EMI issue are its delicately romantic view of the score and the exquisite Charlotte of Tatiana Trovatos. I have not managed to catch her in the role on stage, although she has been singing it for some time now, but she manages to outpoint DG's Elena Obraztova all the way along the line. Alfredo Kraus is far less involved than Domingo on DG, concentrating on making beautiful sounds, which he is indeed very adept at doing; and it could be argued that self-admiration is an important part of Werther's make-up, at least for the first half of the opera. The supporting casts are of roughly equal merit, with EMI having a slight edge on the handling of French; neither company, though, has managed to come up with the ideal Albert.

RCA's single disc of *Cavalleria Rusticana* shows a sign of compression. The quality of the sound throughout is of the highest as too is the playing of the National Philharmonic under James Levine. The record makes one regret once again that Levine is so unwilling to spare time from his own house, the Metropolitan Opera, to come and conduct at Covent Garden. The cast has a distinct Mer feel about it, although Domingo, in thrilling voice throughout, has sung Turiddu at the Royal Opera. Renata Scotti is the Santuzza, carefully grading her emotion through the opera until her final outburst and Pablo Elvira, the Puerto Rican baritone who has just opened as Lestat in the Mer's *Manon Lescaur*, is a highly accomplished Alfio. The Karajan version on DG, recently reissued, has much to recommend it, but so too has this RCA set. Levine provides the fire and Karajan the sophistication: it depends on your preference.

John Higgins

Tennstedt scales the Mahlerian mountain

Her: Symphony No. 9. LPO/EMI. SLS 5188 (2 sides). TC SLS 5188, £9.95.

Her: Symphony No. 6. LSO/EMI. RCA Red Seal RL 1312, £9.98.

Her: Symphony No. 2: 'A Time of the Love of Three Ages'. LPO/Weller. Decca 6945, £5.29.

Her: Alexander Nevsky. LSO/Abbado. DG 202, £5.50; 3301 202, £5.50.

Her: Violin Concerto No. 2. Erman, Los Angeles PO/EMI. CBS 76831, £4.99; 5631, £5.29.

Her: Violin Concerto: Hindemith. Der Schwanenreiter, yemini, Orchestre de Paris/Abbado. DG 2531 249, £5.50.

Her: Piano Concertos 1 and 2. Lupu, Israel PO/EMI. Decca SXDL 7502, JKSXDC 7502, £5.50.

record industry may be in a way, but one would never as much from the coming colossal outpouring of German music. Nor would it be different when it is something like Klaus Tennstedt's very spacious but very fluid, discerning and raneous performance of the H. This is not by any means account that seeks to ignore emotional weight of the key, yet neither does it force aria into the notes. Instead searching and ultimately passionate character comes from Tennstedt's aly response to the score, willingness to let the tempo with the surge of ideas, his eable sense of where as should travel uninterredly from one instrumental to another, his confidence the long movements con-

tain their own structural integrity and their own drama.

Tennstedt has the rare ability to comprehend a work fully and intimately without taking sides on it, and this is a special advantage in the case of Mahler's music, with its contradictory strains of triumph and disaster, sweet nostalgia and bitterness, resigned farewell and fierce struggle. When the great post-war climaxes crash or dissolve into hallow-ness as they so often do, Tennstedt is there to show the writer as one of great tragedy; the outcome is inevitable, not the spiteful twist of an embittered mind, and Mahler comes to seem a larger, more generous artist.

Nothing like the same splendid spirit is revealed in James Levine's recording of the sixth symphony. The dry and brittle rhythms make Mahler seem a naive follower of marching bands, not as in the first movement of the ninth under Tennstedt, a subtle musician who could give the effect of a square march without quite all its raucousness. Levine's comparatively direct approach has its kind of success in the finale, which can take all the bombastic dynamism thrown at it, but he ruins any plain virtues the performance may have by interpreting the slow movement as an absurdly sugary piece of film music.

If in Mahler the London Philharmonic under Tennstedt far outstrip Levine's London Symphony, in Prokofiev honours are more evenly divided. Walter Weller completes his symphony cycle, in which he has used the orchestra, with a courageous assault on the monster No. 2 deploying LPO forces, and Claudio Abbado leads the LSO in a brilliantly picturesque performance of Alexander Nevsky. The density of musical thought

here may be fairly low, but Abbado brings out all the steady excitement of the music, coloured by the rude medieval clangour of its bells, and Elena Obraztova, though sounding rather mature for a girl seeking her lost soldier lover, has the oppressed soul of Russia in her lament.

Weller's disc has much more interesting music, with fragments from the extraordinarily inventive *Love of Three Oranges* score as prelude to the second symphony, which was written only five years later, in 1924, but which inhabits a different world of savage moment and free-flowing fantasy in the second.

Among new concerto recordings, Pinchas Zukerman's of the Bartok No. 2 is fine, perhaps too fine. He can of course bed with joy and pleasure for making light of the music's difficulties, allowing no suggestion that there are awkward turns of phrase, but this technical sovereignty seems to have led him into making the work altogether too safe and comfortable. The tang and the trickiness of Bartok's invention are virtually polished away, and Zubin Mehta's accompaniment is not one to remind the soloist of what he is losing: his tendency is rather to lend credence to the old story that Bartok was starting to write for brass American tastes.

Even so, to turn to the same composer's posthumous *Violin Concerto* is to encounter quite a different level of banality. Daniel Barenboim is no more successful than any previous performer in presenting this as a work worthy of Bartok and not something patched together from scraps by his pupil Tibor Serly. His smoky tone is much better employed in Hindemith's *Der Schwanen-*

dreher, a concerto on old folk-songs with accompaniment for a wind-heavy chamber orchestra.

Another cunning coupling of concertos is offered on the Academy's latest disc. Frank Martin's *Petite Symphonie Concertante* for harp, harpsichord, piano and strings, a work as brilliantly formed as it is beautifully orchestrated, makes a welcome return to the catalogue, or at least most of it does: the piano has arrived surely enough, but the harp and harpsichord are still on their way, sounding dimly from the distance.

The companion work, Bloch's first concerto grosso of 1924-25, is given pre-eminence on the sleeve but placed on side two, and one can see why EMI were uncertain about it. It is a curious piece. Scored for string orchestra with obligato piano, it has four movements which run through the gamut of then contemporary music, but from Vaughan Williams while barely recalling at all the composer of *Schelomo*. Between the wars it was a great favourite; now, despite this excellent Academy performance, it appears an elderly remnant.

For real piano concertos, of course, there is Radu Lupu's new digital recording of Beethoven's first two. Maybe we will get used to the marvels of digital sound, but at the moment this is a real treat, with a greater keyboard presence—a greater sense of music commanded by ten digits, so to speak—than in any other recording I know. It is not just a matter of better sound quality, but also an increased awareness of the manual rhythm of piano performance.

Paul Griffiths

Tureck's precision, or Gould's subjectivity

Bach: Goldberg Variations; Aria Variata. Tureck. CBS 79220, £9.99; 40-79220, £9.99.

Bach: Toccatas BWV 910, 912, 913. Gould. CBS 76881, £9.99.

Bach: Musical Offering. Academy of St Martin-in-the-Fields/Marriner. Philips 9500 585, £5.45; 7300 708 £5.60.

Bach: Violin Concertos in E and A minor: Double Concerto. Goldberg. Magyar/Nettelbladt CO. Philips 6570 010, £3.25; 7310 010, £3.40.

Teleman: 12 Fantasias. Grumiaux. Philips 9502 010, £3.75.

Mozart: Serenades K375 and 388. London Sinfonietta/Pay. ZRG 911, £2.99; K282 911, £2.99.

Archiv Privilege series. 2547 series, £2.95; 3347 series, £3.25.

The self-consciousness of the age we live in has a powerful, perhaps disturbing reflection in the two new Bach recordings by leading transatlantic exponents of his music. First there is Rosalyn Tureck, turning now to the harpsichord after twice having recorded the Goldberg on the piano; then there is Glenn Gould, bringing to him a personal subjectivity of a kind that renders the music almost unrecognizable as product of the eighteenth century.

Miss Tureck's ideas have not changed in her instrumental migration. Still everything is thought out in the most meticulous detail, and executed with intense precision. True, she plays faster than before, as the instrument permits. Her great strength lies in her rhythmic control and her rigorous command of articulation. There is never, you feel, a moment when anything as undependable as fancy, or musical impulse, overtakes her didactic determination to play a particular phrase a particular way especially in her numerous would-be significant hesitations. It is of its kind a remarkable achievement, and one that compels admiration.

But her performances are so severely intellectual as to be almost devoid of natural musical expressiveness. A comparison with the scarcely less austere but more natural, less stilled, Gustav Leonhardt is revealing. Miss Tureck's fingerwork is as agile as ever, and her command in the brilliant variations is cool and complete. She includes all repeats.

Mr Gould's playing touches on nothing like authenticity, of course, not only because he uses a piano but because he freely adjusts matters of tempo and articulation to accommodate the music to his own exceedingly personal view of it. In these toccatas he brings a manic drive to the fugal sections, a tone of intense subjectivity to the tonal faces quite well, even so, and the fifth is superbly done. There are fine things in the *Erica* and the seventh, but there are also vulgarities. In the choral finale of the ninth, the mass of sound tends to distort.

William Mann

Academy Musical Offering is smoothly and skilfully done, lovingly phrased, the six-part Ricercar artfully architected. Admirable playing, as such, but without many new insights, and too occupied with surface polish to do justice to the vitality of the counterpoint. On the other record Seymour Chwast proves a dependable version of the concertos, and the outer movements go well (except for the finale of the double, which is subject to unerving jerks on the accelerator); but the slow movements are heavily done, and made to speak in tones of a rich expressiveness not native to them. Here too lighter articulation would have been welcome.

While talking of Bach issues I should refer to the new Archiv Privilege series, the first of which has just appeared, and which I have been sampling. These are reissues of notable early music recordings from the former days of Archiv, the days in which they were the 'authenticity' of 'authenticity'. The authenticity of the 1960s and early 70s is now dated, of course; and what we have in effect are good, careful chamber-scale performances at bargain prices. The Bach items include Richter conducting the four suites finely disciplined playing, very precise in the dances, sometimes heavily handed; Ralph Kirkpatrick giving strong, taut readings of the three best-known harpsichord concertos; Walcha in a characteristically clear series of readings of some of the most popular organ works; and a most disc from St Thomas's, Leipzig, with some ragged and oddly tuned singing—I trust they did it better in Bach's day.

This series also includes three Handel recordings, German Handel playing rarely has the sparkle or the dash of the best English, but I enjoyed the steady, sensitive readings of the Op. 3 concertos under Wenzinger and a cheerful new disc with the *Fireworks Music* (on wind instruments) and two other concertos, including some elegant playing in the *Alexander's Feast* concerto.

It is Teleman who provides my pleasant surprise in this month's records. His 12 solo violin fantasies do not have the breadth or the purposefulness of Bach's solo violin music—but not the strenuousness, either, for player and listener. And this often garrulous composer manages to contain his thoughts in nicely compact movements, a few of them contrapuntal, but mostly quite simple music, often in dance rhythms. They make attractive listening, especially in performance as adept as Arthur Grumiaux's—vital, bright-toned playing, always rhythmic and alert.

Finally, let me draw attention to the excellent new version by London Sinfonietta members of Mozart's two big serenades for eighth instruments—much beautiful playing, with nicely measured tempos and (apart from an oddly missing sustained note in the first movement of K375) finely and perceptively balanced detail.

Stanley Sadie

A post-romantic approach to Beethoven

Beethoven: Symphonies 1-9. Bernstein. DG 2740 216, 3378 090, £29.00.

A new publication brings the 25 of all nine symphonies of Beethoven, currently available on record, up to more than 100, and it is Leonard Bernstein's second assault on nine. Most of us would expect to assemble our own collection of Beethoven symphonies one at a time, selecting closely from the many rival versions. A serious lecturer, on the other hand, is to expose his own corpus of a whole corpus of one composer's music. The present comes as a potential danger for the other boxes in the Bernstein set, which have been conducted in recent years for the new set, Bernstein to Vienna and recorded interpretations at public events, correcting fluffs in frequent studio sessions, also an audience, though extra-



Leonard Bernstein recording Beethoven in Vienna

musical interference is minimal. He has become a serious and imaginative Beethoven interpreter as youth has grown into seniority, and brilliant flair given way to mature mastery. My listening notes frequently mention the boldness and pugnancy of Bernstein's response to the music, his attention to rhythm and significant detail, the inspiring energy that he draws from the marvellous Vienna Philharmonic. His preferred orchestral balance favours the woodwind over the strings who often sound woolly and indistinct, though in the

first movement of the *Erica*, and in much of the Choral, the total orchestral sound is mightily impressive.

He has a sensible attitude to repeats: when in doubt, include them. He is also very perceptive with regard to transitions from one mood to another. I cannot but admire when he has done, and yet I find the results unsympathetic. Bernstein approaches Beethoven from a post-romantic direction, as a forerunner of Wagner and Brahms, not from the world of Haydn and Mozart which was his breeding-ground. The first two symphonies, even the *Erica*, are made to orate in a blatant, over-demonstrative fashion which persists until the ninth, and tends to inflate charm into grandeur. The total faces quite well, even so, and the fifth is superbly done. There are fine things in the *Erica* and the seventh, but there are also vulgarities. In the choral finale of the ninth, the mass of sound tends to distort.

William Mann

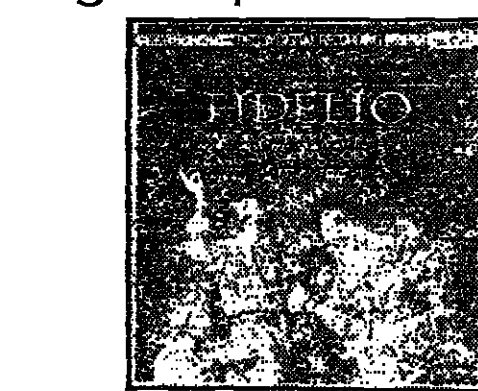
BEETHOVEN BERNSTEIN 9 SYMPHONIES VIENNA PHILHARMONIC ORCHESTRA

Beethoven had always meant *universality* to me; ever since my early adolescence, when I first heard his unforgettable cry of 'Brüder!'. From that moment on, every piano sonata, violin sonata, trio, quartet and symphony (to say nothing of the *Missa Solemnis*) came to mean heart-to-heart communication, travelling satellite-fashion via the cosmos itself. But then I performed Beethoven with the Wiener Philharmoniker (in 1969, I believe) and it was the *Missa*, performed in the Staatsoper, with Beethoven's written hope that it would 'go from heart to heart', and everything suddenly changed. True, it was still universal, in fact more so, but in Vienna, Beethoven's own city and with that orchestra, his music suddenly acquired a sense of place in the universe, and seemed to elicit from my mind ever new ideas about the composer's deepest intuitions. And so it has remained, through *Fidelio*, the First Piano Concerto, the Quartet op. 131 performed with all 50 of the incomparable strings, and, of course, these Nine. I sincerely and humbly hope that some of those particularly Viennese insights, stimuli and provocations to fresh ideas of Beethoven's meaning are to be heard in this new set of the symphonies. I offer it to all music-loving ears as a testament of faith, and of my most profound reactions to this greatest of all composers.



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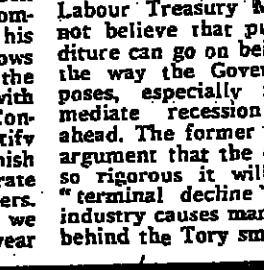


Fred Emery
The finest
persuader
in sight

the way the Gov-
poses, especially
mediate recession
ahead. The former
argument that the
so rigorous it will
"terminal decline"
industry causes man-
behind the Tory sm-

Well they did
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that improvements
deliberately played
will ask for more.

The politics of the
certainly not going
neglected by the
Opposition. They
divided among them
the celebration



Philip Howard

break the Khmer Rouge have been putting a...

from Mr. Anthony Kershaw, MP for **Widnes** (Conservative).

In his article today, March 28, last, Wednesday's meeting of the House of Commons Select Committee on Foreign Affairs, your Diplomatic Correspondent wrote that Foreign Office Ministers had said that Britain's relations with Iraq were deteriorating.

This is not correct. Mr Douglas Hurd, the minister concerned, was offering, in answer to a question, the current state of relations

insecure. Inflation has reduced greatly the value of our income. It is increasingly difficult to secure trust funding as many agencies under threat seek alternatives to statutory income. At the same time there is a serious question mark over our own major sources of government funding.

We have no guarantees beyond March, 1981. We have already reduced our staff and our resources are stretched to their absolute limit. As such - our position becomes -

witnesses who had been charged with and convicted of no offence were taken from the court to prison for refusing to be bound over. The binding over of persons other than defendants may sometimes be appropriate, but the imprisonment of witnesses has serious implications far beyond this case.

Yours faithfully,
MARGARET WIGGS,
Fairfield House,
Biggleswade,
Bedfordshire.

From Mr. R. J. Woodward
sir, The tone of your leading article
on March 18 seems rather grudging.
The election has proved a triumph
for British democracy and adminis-
tration, and we now have a unique
opportunity to help Zimbabwe
recover from 15 years of turmoil.
Surely nobody disputes that we

For instance, many of those who support the "Militant Tendency" are considerable figures in the party hierarchy itself. Andy Bevan, the National Youth Officer of the Labour Party, is the most famous example. Tony Sanolis, a full member of the NEC and the author of recent NEC motions (resolutions carried by the executive) to investigate the Militant faction in the party, is another. Terence Harrison, the official Labour candidate for

that he may not find his way but might fall off the bottom of the world with a firmness of impression that he is heading for the equator. This of course would be a tragedy for your republic.

Yours faithfully,
DAVID ANDREWS,
Flat 4,
36 Haslemoore Road,
Wimbledon, SW20,
March 27.

are considerable figures in the party hierarchy itself. Andy Bevan, the National Youth Officer of the Labour Party, is the most famous example. Tony Saunols, a full member of the NEC and the author of recent NEC motions (resolutions carried by the executive) to investigate the moderate factions in the party, is another. Terence Harrison, the official Labour candidate for

THE TIMES

BUSINESS NEWS

Personal
Investment and
Finance
pages 18 and 19

Stock markets
Ft Ind 421.5 down 1.6
FT Gilts 64.02 down 0.28

Sterling
\$2.1745 down 10 points
Index 72.6 up 0.1

Dollar
Index 90.3

Gold
\$485 up \$12

Money
3-mth sterling 18 1/4-18 1/2
3-mth Euro \$ 19 1/4-19 1/2
6-mth Euro \$ 19 1/4-19 1/2

IN BRIEF

P confirms premium on oil from Kuwait

British Petroleum confirmed it will pay a premium on the 150,000 barrels a day of oil it is being allowed to export from Kuwait. The premium is said to be \$5.50 a barrel on the official Kuwait price of \$27.50.

Elworks closing
The Engineering is closing steelworks at Eppingham, field, with the loss of 66 jobs. The move is not a result of the steel strike, but is given as the cause.

Malta IMF move
Malta is to remain a member of the International Monetary Fund but cancel negotiations with the IMF for balance of payments support. The government is likely to announce an alternative economic strategy this weekend.

Energy-saving lamp
Philips Gloeilampfabriek is marketing a miniature fluorescent lamp as an energy-saving device. The 10 watt light is said to be a quarter of the power of an ordinary 75 watt lamp.

Engines deal
\$3m export order from Arabia for 4,000 diesel engines has been won by R.A. of Chindlerford, Gloucestershire. They should be delivered in nine months.

Land layoffs
Land and Wolff, the Belbriard and the city's employer, announced that 200 jobs are to be cut in the next few weeks. Redundancy notices were due out today to the first 250.

Reading study
Federation of Civil Engineering Contractors has commissioned a report by independent economists to compare British investment in this with that of other countries. It will be presented to Government and local authorities in May.

Oil surplus
Organisation for Economic Cooperation and Development (OECD) forecasts a surplus of around \$120,000m in 1980 for Organisation of Petroleum Exporting Countries (Opec) members in but does not foresee problems in recycling funds, senior officials said yesterday.

Liquor features
Court in Milan has declared bankruptcy of five companies of the troubled Liguistica group - Liguistica, Liguistica, Liguistica and Liguistica. The group's subsidiaries, which have been put under administration, are Liguistica Augusta, Liguistica Ferrandina and Liguistica Meridionale.

Further rise in US prime lending rates as credit demand continues

From Frank Vogel
US Economics Correspondent
Washington, March 28

Major American commercial banks raised their prime lending rates yet again to record levels today as bankers and economists warned that rates may well go still higher.

Citibank lifted its rate from 19 per cent to 19 1/2 per cent, while Chemical Bank of New York and the Continental Illinois of Chicago raised their rates 1 per cent to 19 1/2 per cent.

As the day developed, more and more banks moved to the 19 1/2 and 19 3/4 per cent rates for their most creditworthy large customers. The increases are being attributed to the continuing high demand for credit from all sectors and to the tighter credit policies imposed by the Federal Reserve Board two weeks ago.

In addition, there is speculation that the Fed may this week have made tentative moves towards a still tighter credit squeeze. This was indicated by some wild fluctuations in the rate for Federal funds above the 20 per cent level.

These are funds which banks borrow overnight from each other and which the Fed buys and sells to influence money stock developments. Most banks strive to keep their prime well above the Fed funds rate.

The open market committee of the Fed meets privately in Washington on Wednesday to map the credit strategy for the next four weeks. There are fears in the markets that, as the money supply appears to be rising rapidly and as growth of bank reserves continues to be substantial, so the top policy formulation, so the top policy system will decide to raise its target interest rate levels for Fed funds in the middle of next week.

With this in mind, some bankers and brokers on Wall Street were talking today of the rates moving above 20 per cent in the next four weeks. Economics experts at the University of California have just come out with a forecast that the prime might go as high as 22 per cent.

Bankers do not believe a possible Fed move to still tighter policies will be influenced simply by the latest money stock figures. They suggest that the Fed might fear a reaction in the currency markets to the recent sharp rise in the dollar as a result of yesterday's record balance of trade deficit for the last two months of more than \$16,000m.

There are also indications that the Fed is worried that its efforts to restrain consumer credit are not working well. There is talk by some Fed officials of additional refinements to the recently announced margin requirements on additional outstanding credit card debt.

In London yesterday, trading remained nervous in the Stock Market, as dealers pondered the Chancellor's latest proposals while continuing to keep a close eye on the latest events on Wall Street. Equities and Gilts continued to drift lower, although no real selling pressure was evident. The FT index closed 1.6 off at 72.5. Dollar strong: The dollar gained ground in most European centres as rumours of an increase in European primes spread.

At one point it was well over DM1.92 but slipped back in later trading to close at DM1.9285 in Frankfurt. The pound closed at \$2.1745, down 10 points against the dollar but the Bank of England's effective exchange rate index rose by 0.1 percentage points to close at 72.6.

This was below the top level for the day, however, which was 72.8 per cent of the pound's 1971 worth.

Dealing was mostly light and there was only limited intervention from central banks but the latest gains by the United States current account mark the end of another week in which it has made strong advances.

Mr Carter spurs on energy programme

Washington, March 28—

President Carter, cheered by final passage of his "windfall" oil profits tax, has urged Congress to quickly enact other key elements of his energy conservation programme.

The Senate passed the tax proposals yesterday sending the House for Mr Carter's signature.

"This is good news for our country and also good news for the world," Mr Carter said after the vote of 66-31.

He said Senate leaders had promised to continue work on other key energy bills, creation of a special board to approve energy projects and federal aid for synthetic fuel production. Both bills have been held up in Congress for several months.

Mr Carter frequently called the oil tax bill the centre piece of his programme to reduce United States dependence on foreign oil imports.

Revenues from the tax, the largest ever passed by Congress, will be used to develop alternative sources of energy and mass transit and to help lower-income families pay their energy bills.

The tax will be taken from an estimated one trillion dollars in so-called "windfall" profits which United States oil companies are expected to make over the next 10 years, as federal price controls on domestic oil are phased out and the price rises to world levels.

Many members of Congress from oil-producing states opposed the bill, saying it would discourage domestic oil production.

Fuel prices slowdown: Inventories of petroleum are beginning to show a slowing in the rate of price rise. Although there is not enough evidence yet to suggest a possible break, or even a leveling, in overall fuel prices in the months ahead, oil observers are beginning to predict that future increases will be smaller and less frequent.

Burmah plea rejected

An action by Burmah Oil for disclosure of four Whitehall documents for use in the company's pending £179m suit against the Bank of England was dismissed by a High Court judge yesterday.

Burmah is seeking the return of its 21 per cent shareholding in BIP which it alleges the Bank acquired under value in a rescue deal when Burmah was in financial difficulties in 1975.

The documents relate to a crucial period when it was being suggested that the Bank should acquire the shares. The Bank repudiated the offer, saying it was not interested in the shares. The profit sharing idea was said to have met with hostility in Government circles.

Mr Justice Whitford said yesterday that he was unable to believe that any relevant and material documents would be found in any of the minutes that Burmah wanted to see.

Disclosure had been banned by the Government on the ground that it would not be in the public interest to do so. The judge said it would not be appropriate for him to inspect the documents himself.

It was plain from a House of Lords decision last year on a previous move by Burmah to acquire the Bank that there had to be a limit to the extent to which a court could be asked to inspect documents of which only a limited description had been given.

How Hunt brothers were caught in the great bullion collapse

Wall Street's silver panic

From Frank Vogel
United States Economics Correspondent
Washington, March 28

It was called the silver hunt on the trading floors of the American commodity trading exchanges as the vastly wealthy Texan brothers, Mr Nelson Bunker Hunt and Mr William Herbert Hunt, bought tons of silver.

Yesterday the price of silver collapsed, the Hunts were caught owing brokers tens of millions of dollars. Wall Street was hurled into a panic and one of the largest American brokerage companies looked as if it was in trouble.

Today Government authorities sought to cool the charged atmosphere on financial markets and it appeared that the crisis might not, in fact, be quite as dramatic as had first seemed likely. There is a chance that people in the markets have once again underestimated the full scale of the Hunts' fortunes.

The Hunt brothers are the heirs of Mr E. L. Hunt who died as one of the world's richest men back in 1974, having made his billions, not just millions, in the Texas oil game.

Throughout last year the Hunt brothers were continual speculators in the New York and Chicago commodity markets and it is believed that a few of their overseas friends were also striving to corner the market—obtain so much silver that they could dictate the global price, a feat last done in 1917 by the "Old Lady of Threadneedle Street," according to brokers here.

The silver price, largely because of buying by the Hunts and their friends, soared last year from an opening of \$5.97 an ounce up to \$18 by October, then on to \$37 at the start of this year and up to a record of \$50.35 in January. The speculation became so fierce that the commodity markets became worried that there could be more buying of silver than was actually available—trade limits were imposed in January that calmed some of the speculation and the price dropped.

By Tuesday the silver price was down to \$16.25 and then, to the surprise and alarm of market operators, Mr Nelson Hunt appeared in Paris to make an announcement. He said he planned to issue bonds, backed by \$3,000m-worth of silver bullion owned by himself, his brother, Mr Najib Nahas, an Arab now resident in Brazil, Prince Faisal Bin Abdullah Al-Saud, Mahmood Fustok and Shaikh Mohamed Al-Amoudi, all of Saudi Arabia. In the markets the view was that the Hunts needed some cash, and hence the bond selling plan.

The Hunts are reported by traders to have been buying 5,000 to 10,000 silver contracts in the markets, about 25 to 50 million ounces.

The price has fallen like a stone and the Hunts have had to put up more and more cash to cover their outstanding purchases. By Tuesday they needed to provide their brokers, Bache, Halsey, Stuart, Shields, Inc. the fifth largest American brokerage company, with about \$100m to cover losses on 20,000 silver contracts. The Hunts' problem is raising cash fast. The immediately Bache then felt forced to sell some silver to cover the liabilities of the Hunts; word spread and the panic was on.

Two separate kinds of fear spread through Wall Street. The first was that many brokerage houses might have clients with outstanding silver contracts and the houses might face massive losses. Bache was the centre of attention, not just because it was the silver broker for the Hunts, but also because the Hunts owned 450,000 Bache shares and had borrowed from Bache. So worried was the securities and Exchange Commission that the Hunts would dump Bache shares to raise cash and that Bache would be in financial trouble, that it suspended trading in Bache shares for 10 days.

And then Wall Street also feared that to raise cash the Hunts would start selling vast quantities of shares and bonds that they owned and so drive all market prices down. The Hunts did start selling shares and government bonds and the Dow Jones index fell 25 points. But then it recovered as it was realized that not even the Hunts could smash the already depressed markets.

Nobody knows just how wealthy the Hunts are and they are not telling. There have been estimates that the wealth of the Hunt brothers exceeds \$4,000m—far more than is needed to cover losses that could be incurred on half this sum. The Hunts' problem is raising cash fast. The immediately Bache then felt forced to sell some silver to cover the liabilities of the Hunts; word spread and the panic was on.

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7 pc cut in export promotion projects

7 pc cut in export promotion projects

By Derek Harris
Commercial Editor

Export trade promotion spending channelled through the British Overseas Trade Board is to be cut by nearly 7 per cent this year, hitting both the overseas projects fund and promotions like trade fairs. Staff cuts of nearly 10 per cent are also being called for by 1982.

The spending reduction, part of the new round of public expenditure cuts, is expected to be followed by further economies in a report on government export promotion services being drawn up by Sir Derek Rayner, joint managing director of Marks & Spencer, who is advising the Prime Minister on trade.

If, as likely, these additional cuts come into effect this year, the pattern of aid for companies is certain to change radically. The heaviest cuts are likely to affect larger companies because they, unlike smaller companies, are making their first export efforts, are better able to bear the loss of government help. Plans are being prepared which would switch the emphasis of aid to the smaller and the medium-sized companies.

The board, which in the past year has spent a net £31m, has to find a £2m saving this year because of public expenditure cuts. Half of this is expected to come from increased charges this year for trade fair users and promotions like overseas seminars.

The biggest proportionate cut will be borne by the projects fund. It faces a £500,000 reduction in spending which in the past year amounted to £6m. The fund makes contributions of up to 50 per cent towards companies' pre-contract expenses provided there is at least a £10m benefit directly to the United Kingdom from a contract. Similar help, to different scales, is given towards pre-contract consultancy expenses. There is also an intelligence service on contracts likely to be on offer abroad.

There will be a £200,000 cut in trade promotion spending which has been running at £2m a year with £1.5m of that going towards aid with trade fairs. Another £200,000 is being saved by moving the British Export Marketing Centre in Tokyo to an exhibition site with lower rentals.

The board has also been asked to cut 100 staff by 1982 out of its present personnel of nearly 950.

WANKIE COLLIERY COMPANY LIMITED

(Incorporated in Zimbabwe Rhodesia)

DIVIDEND NO. 111

The directors today declared an interim dividend No. 111 in respect of the year ending 31st August, 1980 of 4 cents per share, payable to shareholders registered in the books of the company at the close of business on 18th April, 1980. Dividend warrants will be posted on or about 15th May, 1980.

The transfer registers in Zimbabwe Rhodesia, the United Kingdom and South Africa will be closed from 19th to 25th April, 1980, inclusive.

Zimbabwe Rhodesian non-resident shareholders' tax at the rate of 20 per cent will be deducted from the dividend where applicable.

Estimated results for the half year ended 29th February, 1980, and the results for the previous year and corresponding previous half year are as follows:—

	Half-year ended 29.2.80	Half-year ended 29.2.79	Year ended 28.2.80
SALES	Tonnes	Tonnes	Tonnes
Coal	1,286,872	1,152,710	2,221,104
Coke	125,900	91,302	201,471
UNAUDITED FINANCIAL RESULTS			
Trading Profit	\$'000	\$'000	\$'000
	3,805	1,952	4,205
Net interest and dividends receivable	404	295	683
Profit before taxation	4,209	2,247	4,888
Taxation	1,460	656	1,500
Profit after taxation	2,749	1,591	3,388
Dividend	1,013	760	2,280
Earnings per share	10.35 cents	6.34 cents	13.33 cents
Dividend per share	4 cents	3 cents	9 cents

This dividend is declared in the currency of Zimbabwe Rhodesia. Payments from the United Kingdom and South Africa will be made in the equivalent of the Zimbabwe Rhodesian value at the rates of exchange ruling at the close of business on 6th May, 1980.

Those shareholders whose dividends have until now been blocked in terms of exchange control regulations are advised that whilst the authorities have relaxed exchange control restrictions on this and future dividends, no decision has yet been made on the release of amounts in respect of dividends previously paid into blocked accounts.

Comments on Unaudited Financial Results

The increase in local prices granted from 1st August, 1979, and better export prices, although eroded by increased costs, are the principal reasons for the improvement in the profit; the higher level of sales and production recoveries also made significant contributions.

The Department of Taxes is seeking to change the basis on which depletion allowance to the company is calculated and a contingent liability resulting therefrom was noted in the accounts of the company for the year ended 31st August, 1979. If the department succeeds in establishing a new basis, the charge for taxation for the half year ended 29th February, 1980, will need to be increased by a further \$355,000.

By order of the Board
ANGLO AMERICAN CORPORATION
OF SOUTH AFRICA LIMITED
Secretaries
Per: J. R. Parker

Registered Office:
70 Jameson Avenue Central,
P.O. Box 1108,
Salisbury, C.A.
Zimbabwe Rhodesia.

Office of the Joint Transfer Secretaries
Charter Consolidated Limited,
P.O. Box 102, Charter House,
Park Street, Ashford Kent
TN24 8EQ.
25th March, 1980

PRICE CHANGES

ES	10p to 15p	Ladbroke	7p to 12p
Godfrey	10p to 15p	Millbury	4p to 5p
1st Group	34p to 7p	Millbury	10p to 45p
		Millbury	3p to 5p
		Millbury	10p to 50p

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Godfrey	10p to 15p	Millbury	10p to 45p
1st Group	34p to 7p	Millbury	3p to 5p
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1st Group	34p to 7p	Millbury	3p to 5p
		Millbury	10p to 50p

Guide for VAT men gives the game away on what shopkeepers charge

Secrets of the retail margins are revealed

Insight into one of the ways Customs and Excise officers measure retail profits when in pursuit of value added tax came yesterday when a copy of the guidance to Customs inspectors on average retail margins became public.

It not only indicates mark-ups on goods ranging from

PERSONAL INVESTMENT AND FINANCE

Budget grouse

Any improvement in the burden of stamp duty was welcome, but the Chancellor's limited relief has introduced a measure of geographical discrimination which prospective purchasers in at least half the country will find hard to forgive.

By raising the starting point for the tax by only £5,000 to £20,000, the Budget has freed most new home owners in Yorkshire and Humberside, the North-west, East Midlands, Wales (just) and Scotland from the stamp duty net. Buyers living in the West Midlands, East Anglia, the South-west and the South-east, London and Northern Ireland will still have to pay it.

These generalizations are based on the average regional prices shown in *The Times/Halifax* monthly house price index and, while there will be buyers in some of

the more expensive areas who will not necessarily be subject to stamp duty, it will be a lucky couple living in London, the South-east and the South-west who escape paying this levy.

In his Budget speech Sir Geoffrey Howe specifically referred to the hardship at the lower end of the market, particularly for young couples. As it happens, the young couples already hardest hit because of house price inflation are those who live in areas beyond the scope of the modest improvement in stamp duty thresholds. Had the Chancellor lifted the starting point for stamp duty to £25,000, then more young couples putting their foot on the bottom rung of the housing ladder would have been immune. If duty has to stay, at least let it be applied in an equitable way.

Personal taxation

Little change for most, but at least the widow benefits

What the Chancellor gave with one hand, he largely took away with the other. The famous Rooker-Wise clause which secured indexation of the main personal allowances in 1978 was implemented in full, but the effect of the 18 per cent increase in tax thresholds was abruptly cut down to size by the abolition of the 25 per cent reduced rate band.

The net result is that tax reliefs in the Budget go up by 11 per cent for married couples and by rather less for single people. Translated into pounds in the pocket, this means that a married couple earning (together or the husband alone) between £3,000 and £10,000 will be £61 a year better off—ie, they will have just over £1 a week extra to spend. This will be quickly absorbed by the extra cost of a bottle of Scotch (duty up 50p) and 10 packets of cigarettes (duty up 5p per packet of 20).

The single taxpayer between the same limits does slightly less well: his or her extra cash amounts to only £25 a year. Later in the year, when the tax-free child benefit is increased from £4 to £4.75, the price of remaining single—in terms of getting married and acquiring the two children beloved of statisticians—will go up. The family man, on average industrial earnings of over £90 a week, will be £2.46 a week better off in November.

The loss of the 25 per cent

rate band may be regretted by basic rate taxpayers in that its abolition has permanently reduced the indexation of allowances. But there is evidence that it was not doing its job of easing the lot of the lower paid.

The Inland Revenue, of course, always disliked it because of its administrative inconvenience. That might sound like so much bureaucratic red tape, but it is significant for taxpayers, too. This year, the impact of the changes in allowances will be felt from June pay packets onwards.

The situation was muddled last year because of the change of Government and a second budget, but in the previous "normal" year, 1978, it took the Inland Revenue up to July 12 to implement the new codings.

Other personal allowances, such as those for dependent relatives, or the services of a son or daughter, remain unchanged—as most of them have been for the past decade. (The blind person's allowance was, in fact, increased from £130 to £180 in 1975-76.) This, of course, is in line with the general, long-standing philosophy of simplifying the tax system.

So why, you might ask, did the Chancellor slip a new allowance into the lists? The widow's bereavement allowance of £770 maximum answers the plea of women's organizations and others who for years have

complained about the cut-off at death of the married man's personal allowance.

This widow's bereavement allowance effectively takes over when the married man's allowance ceases and is chiefly a transitional relief to enable a widow to adjust to her new financial circumstances. It is apportioned according to a time scale: if the husband dies in April, the widow will receive the full £770, which is reduced by twelfths for each successive month in the year. Pledged at the same rate as the additional personal allowance, it will also be indexed linked.

The higher rate tax bands and the threshold for the investment income surcharge are not included in the original Rooker-Wise indexation clause. This is an omission the Chancellor hopes to make good in his Finance Bill, but to take effect next year, this.

The threshold of the investment income surcharge rises by 10 per cent to £5,500. The new higher rate tax bands have this year also been increased by 10 per cent, which has also the effect of widening the bands. To pay the top whack of 60 per cent, you will need a taxable income of £27,750 next year.

The income "break point" from where husbands and wives should opt for separate taxation—which means they are both taxed as single people—has risen to £16,977, provided that the wife does not earn less than £4,352.

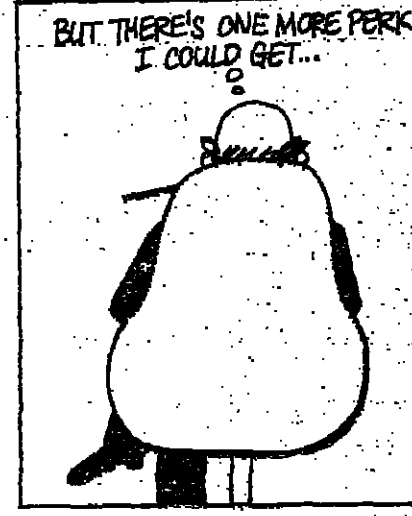
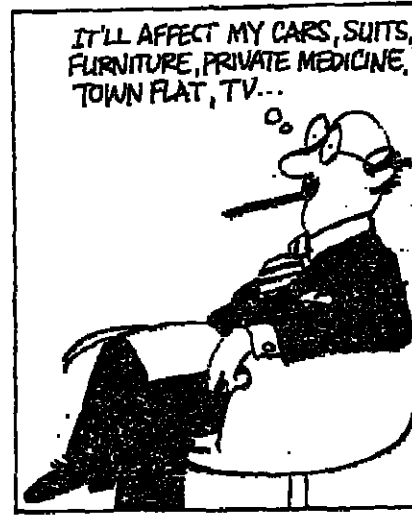
Once more, a government is preparing to tackle the question of taxation of husband and wife. The previous administration was moved by the publication, in December 1977, by the Equal Opportunities Commission—of which Sir Geoffrey's wife was then deputy chairman—of a booklet on discrimination against married women in the tax system. In August, 1978, it promised a Green Paper on family taxation, which was overtaken by events.

Although the Revenue has shed much of its misogynist approach, more needs to be done. The Chancellor has now picked up the baton and, although pointing out that radical changes should not be made in haste, is promising a Green Paper later in the year.

Green Papers, for those who suffer from colour-blindness over government publications, are those inviting debate, criticism and suggestions. So, prepared...

Margaret Stone

HOFF of HEYBRIDGE HEATH



Budget 1980

A guide to what it means for family finance and action you should be taking now

Premium bonds

A big new prize from Ernie

I have long cherished the belief that the Department of National Savings wants to beat the football pools promoters at their own game. The Budget increase in the top premium bond prize from £100,000 to £250,000 confirms this view.

It is a far cry from the £1,000 prize offered when bonds were first issued in 1956, although then, of course, the government had to contend with the disapproval of the anti-gambling brigades.

The new monthly super-prize will be paid in the July draw, so anyone who wants to be eligible that month has only two days in which to buy bonds. Bonds do not become eligible for the draw until three clear calendar months after they have been bought.

Unfortunately, punters will not be able to take advantage of the new increased limit for premium bonds, which from April 21 rises from £3,000 to £10,000.

The new prize structure reflects the 20 per cent increase in the Premium Savings Bond prize fund, which has resulted from an increase in the prize fund interest rate from 5 1/2 per cent to 7 per cent. It is a long overdue increase in the rate on the prevailing interest rate.

Although the Department of National Savings is quite adept at changing the prizes for premium bonds—the £100,000 prize, for example, was introduced only at the beginning of January—it is not as quick off the mark at adjusting the fund's interest rate.

The top football pools payout is now over £900,000, so there is still quite a lot of catching up to do.

MS

After Sir Geoffrey Howe's Budget announcements on Wednesday evening you should be urgently reviewing your financial position. You need to see if there is any action you should take in the short period before the new tax year starts in just over a week on April 6. So here is a checklist of some of the end-of-year items directly affected by the Budget.

● First, capital gains tax: for the year 1980-81 up to £3,000 of total net gains during the year will be exempt for individuals. Further gains will be taxed at 30 per cent.

This sweeps away the previous 15 per cent and 50 per cent tax bands on total gains below £9,500. As a result, a few more people than otherwise should consider "bed and breakfast" shares or other investments (ie, selling and repurchasing in order to establish a loss).

This could be worthwhile if you have gains bringing you into the current 15 per cent rate and you are unlikely to generate more than £3,000 of gains next year. Do not forget the cost of this transaction when working out whether it is worthwhile. You may have been holding back hoping that the Budget might eliminate the need for action.

Unit trusts

● If you hold unit trusts or investment trusts, it could be worthwhile bed and breakfasting these before April 6. Unit trusts and investment trusts carry with them a 10 per cent credit on disposals in 1979-80.

From April 6, this tax credit will disappear, because investment trusts and unit trusts will no longer be subject to capital

Capital taxes

Simplicity and small gains

The Chancellor did not make any radical changes in capital taxation. Where, before, capital transfer tax was in theory payable on the estate of anyone with assets worth more than £25,000 (though in practice, with exemptions and reliefs, it was payable on most estates), this limit has now been raised to £50,000.

The Chancellor himself estimates that roughly two thirds of the estates that would have been liable before will now escape tax altogether.

Mind you, the estate will be taxed almost as heavily as ever, for Sir Geoffrey has not done anything either to reduce the top rates of tax (now 75 per cent) or to adjust the rate band on amounts upwards of £50,000. So the starting rate, on a transfer of between £50,000 and £60,000, at death or within three years of death, is 30 per cent, just as it was before, and so on upwards.

All that has happened in these

Pre-April 6 action

Use the next few days to the best advantage

gains tax internally on their own funds. So you should consider obtaining your tax credit while you can, unless, of course, it would mean that you slip into the 50 per cent marginal rate band at present charged on net total gains between £5,000 and £9,500.

You would also gain no benefit from bed and breakfasting if you would still only be within the exempt £3,000 gains level. Most unit trust managers charge little for the facility.

Transfer tax

● If you have been waiting for big reductions in capital transfer tax before bothering to use your exemptions, carried forward from 1978-79 and 1979-80, do not wait any longer. The exempt gifts remain at £2,000 a year. Although the increase in the nil rate band to £50,000 total taxable transfers is welcome, it really has all the marks of a cost-saving exercise by the Revenue, cutting out administration on small estates. The maximum direct tax saving for any estate, however large, is available for your use as your £2,000 annual exemptions to the full.

● Earlier this year, in an article on fringe benefits, we discussed the advantages of having the use of your employer's yacht,

television set or even suit of clothes. Although the Chancellor made a small adjustment to the taxability of company cars from 1981-82 (in some cases making the position even more advantageous), he chose to penalize the more exotic loans of company assets.

Thus, after April 5, 1980, if an asset, such as a yacht or item of furniture, is made available to an employee for the first time, the employee will be taxed on 20 per cent of the value when it was first made available, not the previous rate of 10 per cent of that value.

Furthermore, if the employee comes to use the asset after, say, two or three years of using it, he will almost certainly be expected to pay more than the negligible amount often permitted on assets provided before April 6, 1980, or he will be expected to pay tax on the difference between the new higher values at the actual price he pays to his employer.

So, if you were planning to have the use of a company washing machine or a company car, make sure that it is made available for your use as early as possible before April 6, so that the old advantageous position still applies.

● The future of life assurance relief now seems safe, at least for several years. The tax relief

by deduction will stay per cent for 1980-81, be reduced to 15 per cent the year after. This will maintain the traditional citizenship of life assurance to basic rate of income tax.

If you are thinking of a new policy in the new year you can be reasonably sure that you will obtain the tax relief for years, but premiums for April 6 will be the most difficult high rate per cent.

● The Budget introduced new scale of stamp duty will be charged on transactions of over £15,000, with the rate of 2 per cent on transactions over £35,000. So it is worth waiting until April 5 to complete the purchase of your house.

Shares

● Finally, if you have in a United Kingdom company which is not a Stock Exchange company, has not been a success in the past, and is expected to make a profit after April 5, 1980, you will be able to obtain relief against your income tax on capital gains if you originally bought shares before April 6.

It is important to the relief does not share which you bought or were given, also obtain the same the company is worth try to keep the credit for another few days.

Danby Bloc
Raymond G.

Unit trusts

Bonus for unithold and fund

The unit trust industry rather surprised the Budget tax relief that was bargained for. Instead, the industry to gift-edged securities having to pay corporate income—a plea it has been making for years—trusts were suddenly the burden of capital

From Monday onwards unit trusts and investment trusts will be exempted from gains tax of 10 per cent. The exemption will be the same token lose their right to offset capital gains. A flurry of activity in the market since the 1 active fund and its should be an improvement on gains up replaces the 15 per cent on gains between £5,000 and £9,500, the vast unitholders will be the change.

Unitholders and investors of investment trusts have also been in future capital gains in respect of any p make. But they April 5 to take action the 10 per cent appears for good.

Although it is true holders who regular capital gains of between £5,000 and £9,500 on their units or investment shares will be worse the new capital gains tax, which will be the same token lose their right to offset capital gains. A flurry of activity in the market since the 1 active fund and its should be an improvement on gains up replaces the 15 per cent on gains between £5,000 and £9,500, the vast unitholders will be the change.

This unexpected should put fund managers' nettle and, it hoped, improve performance which will be a good unitholders. The need to allow for an improvement in the more important, it is a incentive to management.

Fund managers and recovery funds: particularly benefit changed rules. In the have sometimes felt from switching out of high-yielders which become fliers with lower yield.

An interesting note the Budget was any to Section 478, still based on the Islands. Last year Revenue freed war across the bows of it saying that it wished the application 478 to them. The itively convert capital gains, with that investors might liable to income tax returns. However, silence.

Peter Wainwright

Income bonds

Dead; but new ones in the pipeline

The Budget axe fell as sharply as expected on short-term income bonds. The Chancellor's proposals effectively take away from these policies—their pre-budget form—their qualification for tax relief. It was thanks to this tax relief in part that companies were able to pay returns of up to 19.5 per cent of basic rate tax on one-year bonds.

Now it is proposed that a policy will not qualify for tax relief if it is connected with another policy where the terms provide benefits which are greater than can reasonably be expected.

This official jargon strikes right at the heart of short-term bonds which were basically made up of two policies. The premium on one-year bonds was split roughly down the middle. One half funded a single premium policy which paid out all the income and was not a business proposition on its own for the issuing life company. The remainder was channelled into an annual premium policy, the sole purpose of which was to make the whole package qualify for life assurance premium relief.

Now companies await the publication of the Finance Bill to establish exactly what the Revenue means by a non-profitable policy and what yardstick it would use to measure this. But they say frankly that one and two-year bonds will not stand the test under any circumstances.

It is also doubtful that the longer four-year bonds written

on the same basis—that is, dependent on tax relief—will emerge with the stamp of approval. So these, too, which were offered by a wider range of companies than the shorter term bonds have also been withdrawn for the time being.

Four-year bonds, which are not dependent on tax relief and therefore offer lower yields, are unaffected by the Budget proposals.

If you joined the last-minute rush to buy the old bonds before the Budget you can take heart from the fact the proposals are not retrospective. But if you left it to the very last moment you have probably missed the boat. It is not clear whether premiums received on Wednesday morning will be caught by the proposals and the Revenue is giving no guidance on this point for the moment, though companies are generally not processing these applications.

Liberty Life, one of the leading exponents of short-term bonds has already announced a new series of bonds to replace those hit by the Chancellor. The new bonds offer 12 per cent, net of basic rate tax, equivalent to 17.4 per cent gross, over three to five years. Each bond comprises a single premium endowment assurance, which repays the original investment at maturity, and a series of single premium pure endowments maturing at yearly intervals, to provide the income.

The reduction in premium relief from 17.5 per cent to 15 per cent next April will in some cases affect the annual returns on the old bonds. Although one-year bond-holders are safe, those with two-year bonds can expect to see a drop of about 1 per cent from April next year. Three and four-year bonds will see smaller falls of about 0.7 per cent and 0.5 per cent, respectively.

Sylvia Morris

Self-employed pensions

More income in retirement

There was quiet celebration on Thursday among partners and the self-employed who have criticized, and with justice, the present legislation which has made it difficult for them to provide themselves with a reasonable pension.

Now, under the Budget proposals, they will not be at such a disadvantage compared with the director of a family company or, indeed, the employee belonging to a company scheme.

More can be paid towards a self-employed person's pension—for investment in an insurance company's tax-exempt fund—with full relief of income tax.

The contribution limit for those born in 1916 or later is going up from 15 per cent to 17 1/2 per cent of net relevant earnings. The monetary limit of £3,000 in any one year is also being swept away—which means that those with high earnings can put aside the full 17 1/2 per cent.

The meaning of "net relevant earnings" is being altered—so that for most people the contribution is calculated using a larger figure. No longer will personal charges such as mortgage interest or alimony payments be deducted from earnings to arrive at this figure. On the other hand, stock relief will join capital allowances and losses as a deduction.

In the past, within the overall monetary limit, it has been possible to pay premiums for more than the permitted amount in a year (obtaining tax relief on only the appropriate amount), with the right to claim relief on the balance in

future years. That is being changed. Anyone with an accumulated "carry forward" of that kind will get full relief in 1980-81 (irrespective of limits) wiping the slate clean.

A new system is being introduced to "carry forward" if the maximum contribution is not made in any one year. The surplus relief which could have been claimed can be carried forward to succeeding years—but not more than six years. This right to carry forward is being backdated to 1974-75, so that anyone who has not made the full contribution in any of the past few years has the right to catch up.

The minimum premium which can be paid towards life cover with full relief of tax on the premium is staying at 5 per cent of net relevant earnings, subject to a maximum of £1,000 in any one year. This premium still counts towards the overall maximum of 17 1/2 per cent.

Anyone who will not be paying the maximum contribution towards a pension should use this route for providing life cover (up to the age of 75) in view of the full tax relief on the premium, rather than 17 1/2 per cent (coming down to 15 per cent next year) for a normal life policy.

An important change in connection with such death benefits (and returns of premium under a pension policy on death) is that they no longer have to be paid into an estate. Dependents can benefit, so that the funds can go straight to children, avoiding any charge to capital transfer tax.

John Drummond

Investor's week

Looking for lift-off—later

Impatience makes fools of the best of us, and the important point about this week was not the fall in the FT index from 429.9 to 421.5 but the work the Budget has done to bring the day of a sustained share upswing closer.

We may have to test 350 but I doubt whether we shall stay there long. However, before we see such an upswing we must go down. To reward Browning?

The market's way: to rise, it stings. This sequence of fall and rise is taking an unconscionable time because the Government, false to its professions, has wasted months in letting government spending stay footloose while stopping interest rates from reaching levels that choke off borrowing.

Now, if the Chancellor's medium-term plan is to be believed, a grip is being taken on state spending while money supply growth is to be halved to 6 per cent in 1983-84.

The strength of the Budget is that it (nearly) dissolves linger-

ing illusions about the predicament of industry and commerce. Central Statistical Office figures issued just before the Budget indicated how industry had overspent by £4,700m last year. This year the total will be much higher. More than a third of company profits now go in interest charges.

The Chancellor has pointedly refused to help. There is no remission of national insurance contributions and North Sea oil revenue is going to cut government borrowing, not company debts.

Some illusions persist. There are precious few signs of companies setting a fashion in cutting dividends or investment in stocks and plant, and adapt to inflation accounting. BSR, Stone Platt and Weir Group were brave enough recently to chop payouts but this week little Appleby Group, a BL distributor, looked lonely with a halved final dividend. Only publisher William Collins kept its company. It paid no final.

Lucas Industries saw interim profits down by 50 per cent, but

up went the half-time dividend from 2.57p to 2.6p.

Again, up went the dividend by 44 per cent at Reckitt & Coleman, though profits fell from £61m to £51m, and the group continues to spend more than comes in from cash flow.

We are not quite at the bottom of this market. Apart from the illusions of company directors, there are illusions of monetarists who really believe that four or five years of squeeze will kill inflation.

Others demur. Even those who do agree with Sir Geoffrey Howe wonder how money supply will in practice be curbed. Personally, I suspect that further curbs on consumption could be in store.

The balance of payments is still too weak. American interest rates continue to rise. Institutions, knowing that Mr Tommy Gore-Browne, of the Government's brokers Mullens, must start issuing more gilt-edged stock at a time when inflation is nearing 20 per cent a year, are standing about.

Other brokers are in no hurry to help Mr Gore-Browne either. Many of them are ending their financial years soon. They want commission on stock to fall into the next tax year, not into this. So they postpone buying gifts for clients for a week or two.

Meanwhile, investment and unit trusts are selling shares now to establish tax losses. From April they will pay no gains tax and they will then have nothing to set losses against.

So the immediate outlook for shares is poor. But only the immediate one; it is, as I said to begin with, all a matter of patience.

Peter Wainwright

MAIN CHANGES OF THE WEEK

Year's high	Year's low	Company	Change	Comment
148p	115p	Davis, Godfrey	Rises	
885p	628p	Guinhe	20p to 168p	C22m Renault bid
84p	71p	Imperial Grp	10p to 122p	Way clear for Sime bid
182p	122p	Ladbroke	5p to 78p	Hoyo bid in doubt
340p	245p	Mathews (b)	10p to 295p	6 casinos sold
				pl up: 100pc scr issue
90p	64p	Dabenhams	5p to 80p	BAT bid denial
145p	104p	Hse of Fraser	5p to 127p	Yrs pft fall
264p	205p	Lucas Inds	15p to 210p	Int pft halved
410p	314p	Shell Trans	20p to 334p	Petrol Revenue tax up
328p	268p	Thorn EMI	22p to 280p	Reduced leasing allowanc

EDITED BY MARGARET STONE

actical pensions

Why moving jobs could leave you worse off

Members of most company pension schemes lose valuable pension rights when they leave a job for whatever reason, redundancy, dismissal, redundancy, dismissal or plain old feet. Few people, particularly at the time they are considering a change, realize the magnitude of their potential loss of pension entitlement.

A 50-year-old member of a pension scheme, who completed 15 years' service is earning £9,000 a year at the time of leaving his job, will find that the value of his pension position might be of the order of £13,500 or 1½ times his gross annual salary. The reason for the loss is pension entitlements at retirement are clocked up for each year of service and usually on salaries at retirement; on pensions payable to 75 years of age. If you are based on salaries at the time of leaving, in an environment characterized by a high rate of inflation, you are likely to be a big gainer between the pension position based on retirement earnings and the pension position based on salary at the time of leaving. In the long run, however, the loss of pension entitlement in column (3) is the estimated value of the pension position based on salary at the time of leaving. The loss of pension entitlement is a loss of pension position, not a loss of pension rights. The loss of pension position is a loss of pension rights, not a loss of pension position. The loss of pension position is a loss of pension rights, not a loss of pension position.

be greater than the figures shown in the table for men under about the age of 50. For older men it is less. Private pension capital does of course have additional intrinsic value because of its other uses. Secondly, a significant number of companies have adopted a practice of granting pension increases or other benefits improvements on a discretionary basis. Although the employee has no entitlement to such benefits, the expectation or possibility of them does have some value. On the other hand, if a person feels that he is likely to leave his job sooner or later in circumstances such that he will have to be satisfied with a frozen pension or equivalent transfer payment, then the value of his pension position is little more than the value of the frozen benefits. The loss of pension position, great as it is on paper, will not mean very much. Are early leavers resigned to their loss or is there any way they can make it good apart from saving more in the future? In the case of employees who are unfairly dismissed, the loss of pension position can be recovered from the employer through industrial tribunals subject to the limits of their awards. It is suggested that if dismissal is also wrongful, the loss of pension rights, or the excess over a tribunal award, should be recoverable in the courts. However, where an employee leaves voluntarily or is made redundant in spite of judicial comment that pension rights are deferred remuneration, it is

Pay rise needed to restore loss of pension position				
(1)	(2)	(3)	(4)	(5)
Age of man at withdrawal	Pensionable service completed at withdrawal	Value of loss of pension position per £10,000 pa salary	Salary increase (as percentage of old salary) to compensate for (3)	Salary increase (as percentage of old salary) to compensate for (3) + (4)
30	5	5,250	1½	1½
35	5	5,250	2	4
40	5	5,500	2½	7½
45	5	5,500	3	10
50	5	5,500	3½	13½
55	5	5,500	4	17
60	5	5,500	4½	20½
65	5	5,500	5	24
70	5	5,500	5½	27½
75	5	5,500	6	31
80	5	5,500	6½	34½
85	5	5,500	7	38
90	5	5,500	7½	41½
95	5	5,500	8	45
100	5	5,500	8½	48½

Source: Shucksmith & Co.

Tom Shucksmith

Role of the executor

Suppose to leave my assets in for any possible grant, and my son to have the of the interest throughout lifetime. The money is tied in Post Office National Savings and a building society, and I wish it to be left that way. I am in the process of making my will and require some advice. I have had a draft from my solicitor, containing a clause saying that he is to act as executor. I do not like this, how can I get around it? The executor and partner have been 10 to act as the executor. I would like to know if the executor has legal rights to deal with the assets. (MHR, Westbury).

is possible for your will to do any change in the investment of the assets. How this is achieved since it is your trustee's duty to invest the trust funds to the best advantage of all the beneficiaries. Your solicitor is, therefore, sensible in recommending that the trustees be given full discretion to reinvest as they see fit.

you direct otherwise, and any change of investment could result in the assets being sold at a loss. The result could be that your son would benefit by higher rates but that, on his part, your grand-children would find the capital worth of the investments greatly reduced by inflation.

an answer is to make your one of the trustees and the choice of investments. For example, he may be a high wage earner, and need the income. He will be able to reinvest with a view to capital appreciation for the benefit of your grand-children. You need have no fear that trustees will reinvest less carefully. If they do, they will have to make good the loss to the beneficiaries. In some cases, incidentally, they may not provide a trustee and a trustee service.



Readers' Forum

This specialist readers' service has been compiled with the help of John Drummond, Vera Di Palma, Ronald Irving and Eric Brunet

sent away. If my advice had been sought I would have refused the repair, sold the mower, and bought a new one. What are my rights in refusing to pay the bill? (BB, Hertford).

If your instructions were clear, the repairer is liable to pay no more than a reasonable sum for having it repaired. You need not pay the cost of any repairs they saw fit to carry out, since you did not authorize them. Even though the repairer considered certain repairs necessary, or even essential, they are not permitted to go beyond the scope of your original instructions, without referring back to you for authorization.

However, if you asked them "to put the machine in working order", this would be taken as authorizing any repairs incidental thereto. It may be difficult to prove the scope of your instructions, unless you gave them in writing. The practical situation is that you cannot get your lawn-mower back until this issue has been resolved. Since, in law, they have a lien on it until payment.

My wife terminated her employment as a local government officer in September 1979. Under the local government superannuation scheme, she is entitled to take a refund of her contributions in respect of her service to April 5, 1978. She applied at the end of October 1979, having been instructed that she must wait one month before applying for a refund. It is now four months since she resigned and no refund has yet been received.

What obligation does the local authority have to pay interest on the amount for the period of the delay and the initial one month? (MHR, Blackburn).

The local authority (or the superannuation fund) has no obligation to pay interest either for the initial one month or for the period of delay since application. If your wife was a member of Nalco, they will help, if asked, by taking the matter up informally with the local authority and this is probably the best option. The correct formal channel for complaint is to the Department of the Environment, who will (eventually) issue a determination that the refund should be paid: but the amount will be no more than the refund originally due. If you are writing to the chief executive of the authority, enclosing a copy of the complaint you propose to send (say, a fortnight later) to the Department of the Environment.

I lost my wife twelve months ago. She had an endowment insurance policy on my life for £300 payable on my death or at 65. I have six children aged 9 to 18. Will it operate for the benefit of the children if I die? (MHR, Dagenham).

If the policy was arranged by your late wife on your life, it would have formed part of her assets at her death. To whom did it pass in her will? If it was to yourself, you are the owner and for the policy to continue on the same basis you should advise the company and continue to pay the premiums. If you should die before reaching the age of 65, the claim value of the policy will then be paid into your estate—for distribution with your other assets. The points to check, therefore, are who owns the policy, whether the company has been told and the premiums continuing to be paid.

FINANCIAL NEWS AND MARKET REPORTS

Stock markets

Equities lower after Wall Street setback

Despite a brave attempt to halt the rot, the stock market finished the first leg of the three-week-long account on a dull note yesterday. Equities continued to drift lower in the wake of the gilt market, disillusioned with the Budget and nervous over the

Mr Bob Howard, of Hoare, Govett, has a shipping circular on which he warns of a wide range of trends in the sector. The tanker market has weakened, prospects for liner trades are poor, but the dry-bulk market is gaining strength. Clients are urged to buy P & O (105p), Ocean Transport (106p), Lyle Shipping (198p) and Runciman (96p). The only sell is Furness Withy.

continuing weakness on Wall Street and a further decline in sterling and news of another rise in the United States prime rate to 19½ per cent, this time by Citibank, did little to help sentiment. Nevertheless, jobbers were quick to report that selling pressure was negligible and when it did occur it was usually among the more volatile sectors. In spite of this dealers were still keen on their toes with further "bed and breakfast" transactions and another large batch of company statements. This may have accounted for the small technical rally which tried to establish itself midway through the session. But

although the general tone became firmer with most prices after the initial confusion following the latest setback on Wall Street, prices traded at narrow levels throughout the day but were generally easier. Selling continued in Distillers, where the market was forced to mop up 250,000 shares after one seller decided he had had enough. However, after an initial bout of indigestion market men reported that most of the stock had been disposed of although the price slipped 2p to 195p. Shares of Fisons came in for a tough time, falling 15p to

254p. ICI closed 4p off at 362p and Dunlop eased another 2p to 55p after reports that a large amount of stock had been overhauled the market most of this week. Unilever fell 3p to 408p while Glaxo slipped 2p to 240p and Beechams 1p to 115p. Shares of Imperial Group rose 3p to 79p after suggestions that the group's bid for Howard Johnson of the United States might not proceed until certain questions are answered. There is a large force of shareholders opposed to the deal which they regard as expensive. News that Ladbroke, which recently lost its gambling

licence, had sold five of its casinos to Reo Stakis, down 1p at 55p, boosted the shares 7p to 125p. In stores the denial from Debenhams that there was somebody waiting to make a bid wiped 3p from the shares at 80p while United Drapery Stores slipped 1p to 65p amid speculation that it had sold most of its 5 per cent stake in Grattan, which was 2p lower at 62p. Disappointing figures from House of Fraser and reports of a boardroom rift over the dividend wiped 6p from the shares at 128p. Combined English Stores retreated 3p to 33p ahead of figures next week.

Among companies reporting, the interim loss and passed dividend at Lake & Elliot resulted in the shares tumbling 12p to 29p. Also retreating after disappointing trading statements were F.C. Finance, down 5p to 36p, Lister, off 7p to 53p, and Wm Boulton, 2p to 12½p. But higher profits and a one-for-one scrip saw Bernard Matthews climb 20p to 295p. Sharum Ware was another weak spot, slipping 8p to 150p after full-year figures. Nervous selling clipped 7p from Camrex at 33p. Equity turnover on March 27, was £142,318m (17,372 bargains). Active stocks yesterday, according to the Exchange Telegraph, were Turner & Newall, BATs, BP, Burnham, Shell, Beecham, Coats Patons and Courtauld.

Latest results

Company	Sales	Profits	Earnings	Div	Pay	Year's
	£m	£m	per share	pence	date	total
Int or Fin	—	0.01(0.09)	—	2.0(3.0)	—	3.0(3.0)
Bazalton Tea (F)	—	0.05(0.54)	—	0.05(0.54)	—	—
Wm Boulton (I)	13.0(11.4)	0.29(0.75)	—	0.3(0.5)	9/5	—(1.35)
English Prop (F)	—	2.1(3.3)	2.2(3.3)	—	—	—(1.25)
Fimfin (F)	1.94(1.85)	0.37(0.39)	—	2.1(3.7)	16/6	3.0(2.05)
Chas Early (F)	7.45(7.19)	0.34(0.52)	—	1.1(1.2)	—	—
Elys (Wim) (F)	6.94(5.83)	0.05(0.05)	13.6(12.4)	3.5(2.33)	2/6	4.5(3.07)
Fin & Ind Yst (I)	0.13(0.08)	0.05(0.05)	2.1(2.0)	—	—	—(1.2)
PC Finance (F)	60.36(56.58)	0.43(1.82)	4.3(25.0)	1.1(1.1)	24/5	2.2(2.2)
Home C News (F)	3.85(3.95)	0.24(0.17)	13.8(13.26)	4.3(3.5)	15/5	6.5(5.0)
Sturt (F)	32.65(45.43)	0.52(0.7)	—	3.3(3.3)	19/6	5.9(5.96)
Isotek J. (F)	53.04(42.6)	4.67(5.0)	12.48(12.05)	3.0(2.05)	20/5	4.5(3.4)
Lake & Elliot (F)	9.45(10.34)	0.85(0.75)	—	1.3(2)	—	—
Macallan-Glenlivet (F)	1.55(1.81)	0.14(0.81)	1.0(4.71)	—	—	—(1.0)
Lister & Co (I)	1.56(1.32)	0.2(0.16)	—	2.25(2.03)	28/4	—(5.9)
Macallan-G (T)	24.31(22.48)	3.82(3.36)	64.9(39.1)	7.5(5.7)	16/5	14.0(10.2)
S. Matthews (F)	1.22(0.06)	0.28(0.73)	3.38(10.48)	—	—	—(0.28)
Scot Milk Prop (I)	—	1.55(0.8)	—	1.25(0.9)	15/6	—(2.5)
Shazam Ware (F)	15.11(13.92)	1.07(0.91)	46.6(29.9)	2.06(1.65)	—	3.32(1.66)
Thornycroft (F)	16.31(136.7)	15.6(4.9)	39.4(6.7)	14.5(4.0)	—	14.5(4.0)

Macallan-Glenlivet growth continues

Macallan-Glenlivet, the malt whisky distiller, which has been making whisky since 1824, continues to grow, despite mounting interest charges.

In the half year to January 31 turnover rose by 19 per cent to £15.7m but pretax profits went ahead 21 per cent to £205,000 even though interest charges jumped 57 per cent to £187,000. However, the group managed to keep down depreciation to £74,000, or £4,000 less than last time.

The increase in interim dividend is less than 11 per cent

to 2.25p net or 3.2p gross. But the board has decided to spend a lot of money on laying down stocks to support demand for "The Macallan" though the cost of servicing the investment may temporarily hurt net profits.

Interest and money costs have risen but so has the price Macallan charges for new fillings. For the year to July 31 profits are expected to grow "satisfactorily" even if the cost of borrowing stays high. The shares are a narrow market, some more than half are owned or controlled by directors.

Debenhams reply to bid rumours

Debenhams stores chairman, Sir Anthony Burney yesterday said it clear to his 16,000 staff that the recent sale of 10 makers was the start of a new strategy and not a tidying-up operation prior to a takeover bid.

His statement to the workforce, issued last night, was in response to concern expressed by the groups staff councils, suppliers and associates over the persistent rumours that Debenhams was an imminent takeover target.

He said that the board wanted all members of staff to know they are confident that there is no truth in the rumours of a possible bid from BAT Industries, whose name has been persistently linked with the stores group.

Sir Anthony, who retires as chairman in July, said the group is now in a stronger financial position than ever before and the board want to use that to further expansion as an independent company.

Interest burden weighs on P Lane

Heavier interest has hit the P Lane Group, the "Planet" window and doors concern. Although total sales last year rose from £14.96m to £17.43m, pretax profit fell from £303,000 to £161,000, after interest payable of £137,000, against just £28,000 in 1978.

But this does represent an improvement compared with the second half of 1978, the board points out. The total dividend is being cut from 4.8p to 2.5p gross. The caravan, building and motor vehicle industries all face uncertain prospects, the board warns. But the group has made a firm start to 1980, which gives some grounds for "modest progress."

French bank figures

Two major French banking groups yesterday reported their 1979 figures. The Compagnie Financière de Paris et des Pays Bas, holding company for the Parisian banking group, announced net profits of FF219.4m, a 14 per cent improvement on 1978. The dividend per share is being raised from FF13.30 to FF15.

The Societe Generale, one of the major state-owned banks, announced that its profits in 1979 were FF111m, including FF174m of non-recurring gains compared to FF663m, including FF294m of non-recurring gains.

Interim loss at Lister

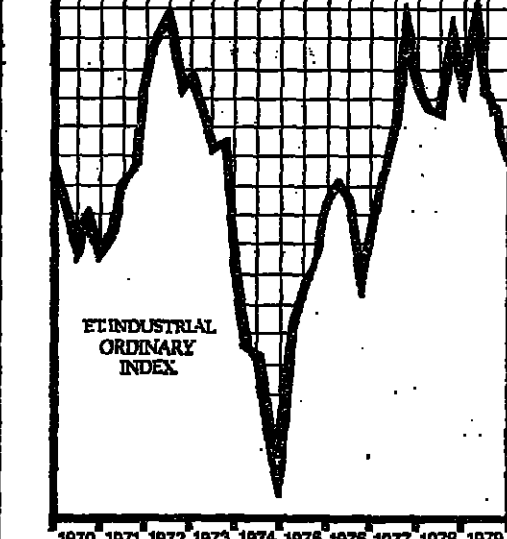
Lister, the Bradford-based textile company, which last year bounded into profits after two years of losses, fell back into the red at the half-way stage, it was revealed yesterday.

Interim results for the six months to the end of September last sank from profits of £810,000 to a loss of £141,000 and an extraordinary loss pushed after-tax profits into the red by £415,000, against a profit of £539,000. Turnover was up just under £1m to £19.4m.

The group says continuing depression in the textile industry has involved the company in considerable losses closing unprofitable operations.

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